

PART 1: GENERAL INFORMATION

1.1 Submission of the Draft Annual Report to the executive authority



Verwysing
Reference
Isalathiso

13/3/1

Navrae
Enquiries
Imibuzo

Prof K C Househam

Telefoon
Telephone
Ifowuni

(021) 483-4473

Departement van Gesondheid
Department of Health
iSebe lezeMpilo

Minister P Uys
Minister of Health

In accordance with section 40(1)(d) of the Public Finance Management Act, 1999; the Public Service Act, 1994 (as amended) and the National Treasury Regulations (NTR), I hereby submit the Department of Health's Annual Report on financial statements, performance indicators and departmental activities for the 2005/2006 financial year.

Please note in terms of section 65(1)(a) of the Public Finance Management Act, 1999 the MEC is required to table the report in the Provincial Legislature by 30 September 2006. In the event that this is not possible, in terms of section 65(2)(a) of the Public Finance Management Act, 1999, the MEC is required to provide a written explanation within six months of the end of the relevant financial year, i.e. by 30 September 2006.

PROF KC HOUSEHAM
HEAD: HEALTH

Date: 30 August 2006

1.2 Introduction

The financial period April 2005 to March 2006 proved to be both challenging and very active for the Health Department. Healthcare 2010 remains the basis of the Provincial Department of Health. The objective of Healthcare 2010 is to deliver an improved and better quality health service within the allocated approved budget.

The framework and content for the implementation of a Comprehensive Service Plan has been finalised during the course of the 2005/06 financial year. This plan provides for the reshaping of services at all levels. The service plan is linked to the generic staffing models to facilitate the provision of the optimal number and skills mix of personnel at each level of care.

The provincialisation of the four TB hospitals previously managed by either the South African National Tuberculosis Association and / or by local authorities is almost complete.

Other significant policy changes include the implementation of the FPML system which will lead to more effective and improved health outcomes.

1.3 Policy decisions and strategic issues

The National Health Act, 2003 (no 61 of 2003) has been signed by the President and came into effect on 2 May 2005, excluding chapters 6 and 8 and certain sections of other chapters as stipulated in Proclamation R19 of 18 April 2005, gazette number 27503.

The National Health Act has important implications for the Province as a new health structure is being created. The Provincial Health Council acts as an advisory body to the provincial Minister.

The Act has also obligated the provincial Minister to:

- Establish a provincial statutory body whose main function is to promote and facilitate interaction, communications and the sharing of information on provincial issues.
- Establish District Health Councils for each health district within the Province – These councils can only be established after the provincial Minister for local government and the respective municipal councils of either the metropolitan or district councils have been consulted.

The Department of Health has assumed financial responsibility of Personal Primary Health Care (PPHC) services in the rural areas as from 1 April 2005 and took over operational control on 1 March 2006. This was the result of the provisions of the Health Act (of 2003), read together with the Municipal Finance Management Act (56 of 2003) and the municipal Structures Act (117 of 1998 as amended).

The Mental Health Care Act of 2002 became operational on 15 December 2004 and as a result the Department is in the process of amending the procedure for the admission of mentally ill patients. The Department has developed a policy regarding the establishment of Mental Health Review boards and established a single Review Board for the Province. A contract was signed on the 5 May 2005 and the Board has had its first sitting already.

Facility Boards have been created at all central and district hospitals in accordance with the Western Cape Health Facility Boards Act 7 of 2001.

1.4 Progress

Some significant progress was made. Detailed reporting is given in the sections below, covering the various programmes.

With regard to *Programme 1* (Administration), the services supported the objectives of the Comprehensive Service Plan of the Health Department. This will be accompanied by a Comprehensive Human Resources and Financial Plan.

The staff performance management system has been implemented and functioned adequately but lacks uniform norms and standards.

Financial management has been improved by the introduction of the Finance Personnel Management Instrument (FPMI) and revenue generation has increased especially at the central hospitals.

The HIS (Hospital Information System) at central hospitals is working effectively and as a result has been implemented at another 7 institutions to date.

Communication with stakeholders, internally and externally has improved significantly with the creation of a few new channels, for example the new Nurses Update (to keep nurses and management informed of issues important to them) and targeted interaction with selected media to improve relations. The communications function which was formerly decentralised has now been centralised whereby all communications officers now reside under the Directorate: Communications. This is to ensure that uniform messaging takes place.

In addition the Head of the Department accompanied by members of the top management team, held face-to-face communication sessions (staff indabas) with staff in all the regions across the Province. The information gathered from these visits led to relevant issues being raised and resulted in early intervention and several improvements to the working conditions and environment of staff.

With regard to *Programme 2* (District Health Services), the District Health Plans to facilitate integrated planning between the Provincial Department and Local Government were developed. The decision to assume responsibility of rural Personal Primary Health Care, which was previously provided by Local Government, has been implemented with the Province formally assuming operational control.

The Division also extended its drive to improve service delivery to communities through the Premier's 'Christmas-Box deliverables' which involved increasing cataract surgery slates, increasing patients on anti-retroviral treatment, purchasing more equipment, strengthening management structures at primary health care facilities, improving the infrastructure at these facilities and adequate and timeous availability of medicines for patients with chronic conditions, thus assisting with improving the flow of patients in facilities.

Quality of Care was continuously being monitored at provincial health facilities through a Complaints and Compliments tracking mechanism. Waiting time surveys were conducted at all major community health care centres in the Metro.

A comprehensive programme for the care, management and treatment of HIV and AIDS clients was strengthened through the Global Fund. Substantive progress has been made in the treatment of HIV and AIDS through the introduction of the ARV programme to supplement the Prevention from Mother to Child Transmission (PMTCT) programme.

During 2005 there was a single case of 'Congo Fever' reported and treated.

In respect of *Programme 3* (Emergency Medical Services (EMS)) there was an increase in the ambulance fleet through the acquisition of new vehicles. Two new communication centres have been established in Leeu-Gamka and Bredasdorp. This has improved monitoring and response times in the rural areas specifically. An Air Mercy rescue helicopter unfortunately crashed in the Southern Cape but was replaced to transport patients to hospital for emergency care. The provincialisation of EMS from the City of Cape Town was finalised, apart from the transfer of a small number of remaining staff.

Constraints in *Programme 4* (Provincial Hospital Services) remain the burden of disease profile in the Western Cape with regards to infectious diseases, chronic diseases related to lifestyle, mental illness, HIV, TB and trauma, which impact on service delivery. Moreover the Metro experienced an increase in patient load due to the influx of people from other provinces. The number of trauma cases also increased, resulting in an escalation in the cost of acute care for trauma cases and specialised rehabilitation services. The increased need for emergency trauma has caused the waiting times for elective surgery to increase. An increase in the medical, non-trauma emergencies was also experienced across these services.

Programme 5 (Central Hospital Services) renders highly specialised services to the communities of the Western Cape as well as from neighbouring provinces and other African countries. The programme also provides a high quality teaching platform at post and undergraduate level.

The central hospitals are faced with many challenges. Restructuring and consolidation remain a key challenge. The issue of joint agreements with universities is ongoing with some positive progress but has failed to reach finality. Other constraints are similar to those outlined in Programme 4.

Service pressures were exacerbated by the shortage of intensive care beds and in particular the shortage of skilled nurses.

The services under both Programme 4 and 5 are hampered by the lack of certain permanent key nursing personnel and medical staff.

Safety and security at all health facilities remain a challenge. The Department has taken significant steps to improve security at all health facilities.

In *Programme 6* (Health Sciences and Training) the key interventions have centred on nurse training performed at the Western Cape College of Nursing (WCCN) as well as the training at the various central and regional hospitals. EMS has also continued their training of paramedics and ambulance personnel. Bursaries have been granted to students training as nurses both at the WCCN and the University of the Western Cape (UWC).

Under *Programme 7* (Health Care Support Services), the laundry service continue to be rendered at previous levels but is constrained by aging linen and equipment. New linen has been purchased. Engineering services are also struggling to maintain obsolete equipment with significant backlogs.

Hospital Revitalisation Projects in George, Worcester and Vredenburg Hospitals progressed well. The revitalisation of Paarl Hospital commenced at the end of the financial year.

During the 2004/05 financial year the programme to replace obsolete and defective equipment continued which has progressed extensively. The highlight was the installation of CT scanners at Groote Schuur and Tygerberg Hospitals and the purchase of much needed oncology equipment. The funding for big ticket equipment was obtained from the Hospital Revitalisation Project and donations from other sources.

1.5 Health Ministry

Minister Pierre Uys as always provided strong leadership and management support. He gave constructive criticism in his appraisal of key management decisions. The Minister's interaction with staff and community representatives was extensive. In addition the Minister also for the first time met with the Metro Health Forum and the Youth Commission.

The Minister and the Head of the Health Department attended several Imbizo's throughout the Province.

1.6 Vision, Mission and Core Values

The Department remains committed to the *vision* of providing better health care to communities. The vision of Healthcare 2010 – 'Equal access to quality care' – has become increasingly significant and consideration is being given to making this the vision statement for the Department as a whole. This vision statement is more consistent with the Department's central goals, namely: accessibility, appropriateness, affordability, effectiveness and efficiency.

The Department's *mission* is to improve the health of all the people in the Western Cape and beyond, by ensuring the provision of a balanced health care system, in partnership with stakeholders, within the context of optimal socio-economic development.

The Department remained true to its core values, which encompasses all the Province's Batho Pele principles while trying to realise its vision and mission during the period under review. These core values include: integrity, openness and transparency, honesty, respect for people and commitment to providing a high-quality service within our capacity.

1.7 Legislative Mandate

A. Provincial Legislation

1. Honorary Medical Staff of Provincial Hospitals Regulations. Published under Provincial Notice 553 of 1953.
2. Requirements from regional Stores, and Control and Condemning of Provincial Hospitals Stores and Equipment Regulations. Published under PN 761 of 1953.
3. Payment of Transport allowances to members of hospital boards attending meetings of such boards. Regulations published under PN of 1956.
4. Election, Powers and Functions of Medical Committees Regulations. Published under PN 307 of 1960.
5. Exhumation Ordinance 12 of 1980.
6. Communicable Diseases and Notification of Notifiable Medical Condition Regulations. Published Proclamation R185 of 1987.
7. Health Act 63 of 1977, Assigned to the province by virtue of Proclamation R152 of 1994.
8. Hospitals Ordinance 18 of 1946. Assigned to the Province under Proclamation 115 of 1994.
9. Ambulance personnel Transfer and Pensions Ordinance 15 of 1955. Assigned to the Province under Proclamation 115 of 1994.
10. Hospitals Amendment Ordinance 3 of 1956. Assigned to this Province under Proclamation 115 of 1994.
11. Hospitals Amendment Ordinance 3 of 1956. Assigned to this Province under Proclamation 115 of 1994.
12. Training of Nurses and Midwives Ordinance of 1984. Assigned to the Province under Proclamation 115 of 1994.
13. Regulations Governing Private Health Establishments, published in PN 187 of 2001.
14. Western Cape Health Facility Boards Act 7 of 2001 and its regulations.
15. Provincial Treasury Instructions.

B. National Legislation

1. Human Tissue Act 65 of 1953.
2. Sexual Offences Act 23 of 1957.
3. Sexual Offences Act 23 of 1957.
4. Inquests Act 58 of 1959.
5. Medicines and related Substances Control Act 101 of 1965. (Regulations thereto as well).
6. Foodstuffs, Cosmetics and Disinfectants Act 54 of 1972.
7. Hazardous Substances Act 15 of 1973.
8. Mental Health Act 18 of 1973.
9. International Health Regulations, Ac 28 of 1974.
10. Pharmacy Act 53 of 1974.
11. Health Donations Fund Act 11 of 1978.
12. Medical, Dental and Supplementary Health service Professions Act 56 of 1974.
13. Nursing Act 50 of 1978.
14. Allied Health Professions, Act 63 of 1982.
15. Sterilisation Act 44 of 1988.
16. National Policy for Health Act 116 of 1990.
17. South African Medical Research Council Act 58 of 1991.
18. Births and Deaths Registration Act 51 of 1992.
19. Tobacco Products Control Act 83 of 1993 (including regulations)
20. Occupation Health and Safety Act 85 of 1993.
21. Academic Health Centres Act 86 of 1993.
22. Public Service Act, 1994.
23. Labour Relations Act 66 of 1995.
24. Choice on Termination of Pregnancy Act 92 of 1996.
25. Constitution of South Africa 108 of 1996.
26. SA Medicines Control Amendment Act 90 of 1997.
27. Employment Equity Act 55 of 1998.
28. Correctional Services Act 111 of 1998.
29. Medical Schemes Act 131 of 1998.
30. Public Finance Management Act 1 of 1999.
31. Tobacco Products Control Amendment Act 12 of 1999.
32. National Health Laboratory Services Act 37 of 2000.
33. Promotion of Equality and Prevention of Unfair Discrimination Act 4 of 2000.
34. Promotion of Access to Information Act 2 of 2000.
35. Council for Medical Schemes Levies, Act 58 of 2000.
36. Medical Schemes Amendment Act 55 of 2001.
37. The Western Cape Health Facility Boards Act 7 of 2001.
38. Births and Deaths Registration Amendment Act 1 of 2002.
39. The Mental Health Care Act of 2002.
40. The National Health Care Act nr 61 of 2003.

Trading Accounts

1. Central Medical Trading Entity – Ordinance 3 of 1962
Central Medical Trading Entity – to provide medical supplies for the needs of the Department.

The Head of the Department is the accounting officer of this trading entity. The trading entity maintains effective, efficient and transparent systems of financial and risk management and internal control.

PART 2: PROGRAMME PERFORMANCE

An overview of expenditure trends for the past three years is shown in Table 1.

Table 1: Expenditure by budget sub-programme

Programme	2003/04 Exp R'000	2004/05 Exp R'000	2005/06 Exp R'000	2005/06 Budget R'000	Variance -% under/ (over-) expenditure
Programme 1: Administration	215,644	213,316	167,291	168,872	0.95%
Programme 2: District Health Services	1,144,698	1,330,397	1,629,951	1,640,479	0.65%
District management	32,956	26,983	88,606	83,854	(5.36%)
Clinics	264,878	265,076	316,372	321,280	1.55%
Community health centres	384,819	441,885	521,255	517,966	(0.63%)
District hospitals	333,717	376,649	419,084	419,188	0.02%
Community based services	33,443	36,554	43,499	49,286	13.30%
Other community services	43,527	47,459	53,076	53,976	1.70%
Coroner services	304	843	2,004	10,358	416.87%
HIV and AIDS	38,146	94,394	122,655	116,023	(5.41%)
Nutrition	12,908	15,442	13,700	14,811	8.11%
Global fund		25,112	49,700	53,737	8.12%
Programme 3: Emergency Medical Services	185,695	198,170	255,851	256,112	0.10%
Emergency transport	184,441	198,170	250,130	250,328	0.08%
Planned patient transport	1,254	0	5,721	5,784	1.10%
Programme 4: Provincial Hospital Services	1,053,048	1,176,641	1,295,905	1,297,321	0.11%
General hospitals (regional)	665,390	750,742	795,425	795,652	0.03%
TB hospitals	54,269	62,049	66,116	66,135	0.03%
Psychiatric hospitals	232,790	256,210	279,060	279,429	0.13%
Sub-acute, stepdown and chronic hospitals	53,228	55,265	96,569	96,879	0.32%
Dental training hospitals	47,372	52,375	58,735	59,226	0.84%
Other specialised	0	0	0	0	
Programme 5: Central Hospital Services	1,607,089	1,805,918	1,980,705	1,974,576	(0.31%)
Central hospitals	1,607,089	1,805,918	1,980,705	1,974,576	(0.31%)
Provincial tertiary hospitals	0	0	0	0	
Programme 6: Health Sciences and Training	71,116	73,541	79,009	79,987	1.24%
Nurse training colleges	48,825	40,250	32,812	33,022	0.64%
EMS training colleges	2,591	2,749	3,104	3,104	0.00%
Bursaries	17,017	27,519	41,098	41,845	1.82%
PHC training	0	0	0	1	
Other training	2,682	3,023	1,995	2,015	1.00%
Programme 7: Health Care Support Services	73,837	82,752	93,075	93,672	0.64%
Laundries	33,156	37,631	38,230	38,234	0.01%
Engineering	25,621	27,243	31,620	31,902	0.89%

Programme	2003/04 Exp R'000	2004/05 Exp R'000	2005/06 Exp R'000	2005/06 Budget R'000	Variance -% under/ (over-) expenditure
Forensic services	5,466	6,445	7,288	7,365	1.06%
Orthotic and prosthetic services	7,594	7,330	8,621	8,806	2.15%
Medicines trading account	2,000	4,103	7,316	7,365	0.67%
Programme 8: Health Facilities Management	0	0	217,025	265,803	22.48%
Community health facilities			13,126	13,126	0.00%
EMS			213	510	139.44%
District hospitals			27,639	53,402	93.21%
Provincial hospitals			134,037	153,970	14.87%
Central hospitals			36,131	36,698	1.57%
Other facilities			5,879	8,097	37.73%
Total: Programmes	4,351,128	4,880,735	5,718,812	5,776,822	1.01%

Table 2: Evolution of expenditure by budget per capita sub-programme (constant 2005/06 prices)

	2003/04	2004/05	2005/06
Population	4,665,573	4,738,067	4,811,692
% insured	27	27	27
Uninsured population	3,405,868	3,458,789	3,512,535
Conversion to constant 2004/05 prices	1.16	1.05	1.00
Programme	Exp per capita Uninsured ¹ R'000	Exp per capita Uninsured ¹ R'000	Exp per capita Uninsured ¹ R'000
Programme 1: Administration	73	65	48
Programme 2: District Health Services	390	404	464
Programme 3: Emergency Medical Services	63	60	73
Programme 4: Provincial Hospital Services	359	357	369
Programme 5: Central Hospital Services	547	548	564
Programme 6: Health Sciences and Training	24	22	22
Programme 7: Health Care Support Services	25	25	26
Programme 8: Health Facilities Management	0	0	62
Total: Programmes	1,482	1,482	1,628

¹ Calculate by (expenditure) x (conversion factor) / (uninsured population)

PROGRAMME 1: ADMINISTRATION

AIM

To conduct the strategic management and overall administration of the Department of Health.

ANALYSIS PER SUB-PROGRAMME

Sub-programme 1.1: Office of the MEC

Rendering of advisory, secretarial and office support services.

Sub-programme 1.2: Management

Policy formulation, overall management and administration support of the Department and the respective Regions and institutions within the Department.

ANALYTICAL REVIEW OF PROGRAMME PERFORMANCE

Significant progress has been made in the development of the Comprehensive Service Plan, in line with HealthCare 2010, to the extent that there is a final draft document available that will be taken to Cabinet thereafter consulted with all relevant stakeholders.

The allocated policy options in the 2005/06

All the funding allocated, for the policy options identified, has been fully spent with the exception of the following:

- R4m of the R8.3m could not be spent in the introduction of the Chronic Dispensing Unit (CDU) due to the late commissioning of the facility in December 2005.
- R2,5 million allocated for the appointment of the a Transaction Advisor to perform a study on the feasibility of making use of a PPP to build a new Forensic Unit at Valkenberg due to the fact that the Department decided against it as the project was unaffordable.

Quality Improvement Strategies:

- The Human Resources Component has developed many modules and circulars for example, a training manual for appointment procedures, probation, etc. At the same time continued informal training of the human recourse staff at hospitals and institutions are taking place.
- Dedicated quality assurance staff have been appointed and therefore 77% of all regional office and finalities have quality assurance committees that will lead to the effective co-ordination of quality of care improvement initiatives. All regional offices have submitted their 6 monthly reports.
- A project manager has been appointed to coordinate a process of developing service standards. Furthermore with an increase in the number of facilities conducting morbidity and mortality reviews and submitting it, will provide improved information that will and must lead to improved monitoring.
- Although the Department has increased the number of pharmacist posts filled to 74% to ensure good pharmacy practice it is still experiencing difficulty to attract applicants for the entry level due to the salary level.

- To improve the level of asset management in the Department, 33% of all institutions have asset registers and the Department has moved a long way to train staff in asset management principles. Furthermore it must be noted that the Department has developed an implementation plan to fully implement the asset registers at all institutions over a two year period to be finalised by March 2007.
- The Department has successfully closed its books, compiled the financial statements and handed it timeously to Provincial Treasury.

Table 3: Performance against targets from 2005/06 strategic plan for the administration programme

Sub-programme	Objectives (Outputs)	Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2005/06 Strat Plan Target
Management	<i>Chief Directorate: Professional Support Services and Administration</i>					
	POLICY AND PLANNING					
	Facilitate the development of provincial health policy and draft legislation	Requisite legislation and policies identified and drafted.	90%	Previous Uniform Patient Fees Schedules repealed and replaced with new regulations; The 4th version of the amendment to the Hospitals Ordinance was drafted.	UPFS target met. Hospital Ordinance is in draft format.	80%
	Provision of a legal advisory service to the Minister, Head of Department and other components of the Department.	Provision of effective legal advice to protect the interests of the Department.	Not reported	Not reported	100%	100%
	Provision of Legal Administration support to prevent litigation and where unavoidable to ensure that the Department is appropriately defended.	Average number of litigation cases	15	16	37 new cases	20
		Average number of litigation cases successfully defended.	All cases pending	4 cases successfully defended. Remaining cases pending.	4 cases successfully defended	8

Sub-programme	Objectives (Outputs)	Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2005/06 Strat Plan Target
	Effective health service planning to ensure that plans are developed to ensure that health services are equitable, accessible, affordable and provide quality care.	A widely acceptable and realistic strategic plan that is based on the principles of Healthcare 2010.	Healthcare 2010 approved by Cabinet and Strategic Plan in place.	Generic staffing models developed and applied to hospitals in Southern Cape; PHC staffing model developed for Metro; Technical assistance to Clinical Task Team regarding allocation of clinical specialists.	Final draft of the Annual Performance Plan and Budget Statement 2 timeously submitted to Provincial Treasury and tabled in Legislature. Compiled the third draft of the Service Plan by 31 March 2006.	Facilitate the implementation of Healthcare 2010 via the Strategic plan.
INFORMATION MANAGEMENT						
	Provide health service and health status information to evaluate and monitor the effectiveness and efficiency of the services rendered by the Department.	% of prescribed information collected, collated, published and disseminated.	85%	85%	85%	90%
	Provide necessary information technology, in accordance with Departmental and Provincial policy	% of applications for information technology realised.	95%	95%	90%	95%
	Manage the implementation & support of the Health Information System (HIS) in all hospitals of the Department, as contracted.	% of hospitals where the HIS has been implemented.	10%	15%	25%	30%
	Manage & administer the Promotion of Access to Information Act, 2000 and National Archives Act to ensure accessibility and preservation of health records respectively.	% of requests for information addressed.	Component not established	Component established	80%	80%

Sub-programme	Objectives (Outputs)	Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2005/06 Strat Plan Target
PROFESSIONAL SUPPORT SERVICES						
	Ensure that essential and quality drugs are available and dispensed as required.	% of indicator drugs immediately available and dispensed to patients.	85%	91%	89%	90%
		% of alignment of PGWC code list with the National EDL	Not reported	Not reported	60% (no tertiary or quarternal EDL exists.)	85%
	Ensure good pharmacy practice and efficient pharmaceutical care to patients.	% of pharmacist's posts filled.	70%	71%	74%	80%
		% of pharmacist's assistants trained / in training.	30%	72%	88%	50%
		% of health facilities that comply with Medicines and Pharmacy Acts			Compliance will be achieved over time as per implementation plans	100%
	Containment of financial losses resulting from the defence or settlement of claims resulting from personal injury and public liability claims.	Annual settlement costs.	R600,000	R280,122	R13.3m	R3m
	Provision of instructions to the State Attorney for purposes of defending the Department's interests in malpractice litigation.	Number of new medico-legal claims notified.			19	50
		Number of claims settled or defended.			7	20
	Containment of negative publicity resulting from medico-legal queries.	Average number of medico-legal queries.	600	540	593	650

Sub-programme	Objectives (Outputs)	Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2005/06 Strat Plan Target	
	Ensure the effective co-ordination of quality of care improvement initiatives at facility and regional level.	% of regional offices and facilities with quality assurance committees	10%	73%	77%	70%	
		% of regional offices and facilities with quality improvement plans.	50%	79%	75%	80%	
		% of regional offices that submit 6 monthly reports	0%	98%	100%	100%	
	To systematically evaluate the quality of service delivery.	% facilities that conducted an external client satisfaction survey, published the results and developed action plans for improvement:	Tertiary facilities	100%	100%	67%	100%
			Secondary facilities	George, Eben Donges, Psychiatric Hospitals x 4	50%	63%	100%
			District facilities	Mossel Bay	18%	72%	40%
			Community Health Centres			14%	30%
		% facilities that submit quarterly returns on the number of client complaints & compliments received.	75%	97%	91%	100%	
		% of facilities that have included strategies to reduce complaints as reflected in the Quality Improvement Plans.			75%	50%	
						APH: 100% TB: 100%	

Sub-programme	Objectives (Outputs)	Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2005/06 Strat Plan Target
		Nature and extent of complaints reflect concomitant decrease in line with plans.			25%	0
		Development of a set of standards against which to measure performance.	0	Standards set for nursing, Occupational Therapy, Exchange, OPD Paediatrics and Reception	Standards set for Nursing Unit Occupational Therapy OPD: Paediatrics Exchange Reception (5/5) Piloted nursing and Food Services Standards at NSH.	Develop 5 standards for each component of service delivery
		% of facilities which conduct morbidity and mortality reviews in accordance with Provincial guidelines.	15%	72% conduct MM however 10% submit	62%	10%
	Reduce client waiting times	The average time spent per clinic attendance. The average waiting time at each point of contact.	Not known	Target met	Results of surveys presented to QA committee and Top Management. UWC developed tool and can render support for roll-out.	Conduct a survey at 1 tertiary, 1 regional and 2 district hospitals and 5 clinics. Benchmark an acceptable waiting time.

Sub-programme	Objectives (Outputs)	Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2005/06 Strat Plan Target
<i>Chief Directorate: Human Resource Management</i>						
HUMAN RESOURCE MANAGEMENT						
	Ensure the effective management of human resource management policies and practices.	Develop and implement policies and practices and audit the application of the policies and practices.	Developed policies as determined by legislation and collective agreements Execute audits.	Target met	Target met	Develop policies as determined by legislation and collective agreements. Execute audits.
	The development and maintenance of an effective organisational structure for the Department.	Restructuring of departmental establishment to facilitate the achievement of Healthcare 2010.	Develop Generic Models to be applied during the re-structuring of the Department as a whole	Most of the ground work completed. However, this process will commence on approval of the service plan	The RT Team updated the draft Service Plan as a result of the Caledon workshop	Partial implementation of the new approved organisational structure.
		Update PERSAL accordingly.	100%	80%	Target on course	100%
	Provide an efficient personnel administration service to employees.	The execution of all personnel procedures with regard to recruitment, selection, appointments, conditions of service and the assessment of staff should be in terms of approved departmental standards.	Execute all applicable policies and practices	Target met	Target met. A highlight was the implementation of the MMS in the Department	Execute all applicable policies and practices.
HUMAN RESOURCE DEVELOPMENT						
	Ensure the effective management of human resource development policies and practices.	Develop and co-ordinate the implementation of HRD policies and practices.			Part-time Bursary Policy Launch concluded successfully	Develop policies as determined by legislation and Departmental strategies.

Sub-programme	Objectives (Outputs)	Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2005/06 Strat Plan Target
					In the process to review and revise Full-time Bursary Policy and Contract. Developing roll-out plan for EPWP in Department	
		Monitor and evaluate the implementation of HRD policies and practices.			Information reflected in Programme 6: Health Sciences & Training.	Monitor and evaluate the implementation of HRD policies and practices.
LABOUR RELATIONS						
	Ensure labour peace by providing and maintaining effective collective bargaining structures.	Number of incidents of labour unrest.	0	There was no labour unrest during this period.	Protest actions: <u>27/06/05</u> (Cosatu: Joblosses) 50 employees took part (R4174.89) <u>03/10/05</u> (Cosatu: Joblosses) 8 employees took part (R876.97)	0
	Training of employees in labour relations issues, including practical training for supervisors in disciplinary matters, IMLC training, basic labour relations training for Xhosa speaking staff.	Number of employees trained	0.5%	Target met	3.9% (901)	2.4%
	Provide an efficient labour relations advisory service to employees and managers.	% of disputes and grievances resolved.			85%	80%

Sub-programme	Objectives (Outputs)	Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2005/06 Strat Plan Target
	<i>Finance</i>					
	BUDGET ADMINISTRATION					
	To appropriately allocate budgets to programmes in line with Healthcare 2010.	Consensus by management.			Consensus reached	Consensus
	To spend the allocated budget without overspending.	Unauthorised expenditure over budget.			R0	R0
	Facilitate the generation and collection of revenue.	Meeting of revenue target.			109%	Meet target
	MANAGEMENT ACCOUNTING					
	Timeous production of reliable financial statements.	Timeous submission of Annual Financial statements.	Financial statements produced	Financial statements produced	Financial statements produced	Financial statements to be produced by 30 April 2006
	SUPPLY CHAIN MANAGEMENT					
	To minimize procurement related cost.	% decrease in expenditure of items procured.	Not applicable	Target met	5% decrease in actual contract prices	5%
	To improve the management of contracts.	Number of contracts with service level agreements.			30%	20%
	To improve the level of asset management in the Department.	% of institutions with credible asset registers.	30%	30%	33%	50%
		% of staff trained in asset management principles			40%	50%
	To establish PPP's	Percentage of identified projects registered	Investigation and evaluation of projects	5 Registered 4 in progress	4 projects in progress	100%
	To increase own revenue	Number of case managers			19	16

Sub-programme	Objectives (Outputs)	Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2005/06 Strat Plan Target	
		Number of designated service provider agreements.			9	5	
	To licence and inspect private health care establishments.	Number of applications and adjudications outside prescribed timeframes			0	0	
		Number of inspections of per year	256	Target met	280	430	
	To increase own revenue	Number of hospitals billing audits per institution per year			3	2	
<i>Communications</i>							
COMMUNICATIONS							
	Establish branding and visibility of the Western Cape Health Department.	Percentage of corporate items designed.	80% of items designed	Target met	Target met	Not yet determined.	
	Maintain adequate communication with all stakeholders.	Number of publications per year.	> 22	Target met	45	22	
	Assist with awareness campaigns and promotions for Programmes and other Health directorates.	Number of communications plans implemented and communicated in at least 2 of the mass media.		45 plans and successfully implemented	20	74	
	Implement 2005/06 internal communication plan.	Number of: <ul style="list-style-type: none"> • Staff indabas • Internal newsletters • Team briefings 			11	45	
						7	12
						11	67
	Implement the national language policy	Number of awareness raising events & campaigns			17		

Sub-programme	Objectives (Outputs)	Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2005/06 Strat Plan Target
		Number of awareness raising workshops aimed at senior & line management			1	
		Development of an implementation plan for the Western Cape Health Department.			Plan developed	
		Development of capacity building programmes for Health.				
		Establishment of a language unit for the provision of translation and interpretation services for the Western Cape Health Department.			1 chief language practitioner and 5 language practitioners were appointed	Appoint 2 additional language practitioners

Comments:

1. % of prescribed information collected, collated, published and disseminated = 85% (Target: 90%):
All information is eventually reported but lack of capacity across the Province causes delays particularly in the face of the increasing demand.
2. % of requests for information technology realised = 90% (Target = 95%)
The shortfall is a result of staff shortages in the sub-districts. Some of the relevant posts were only filled during 2006/2007. Insufficient capacity on the part of CeI was also a contributing factor.
3. % of hospitals where HIS has been implemented = 25% (Target = 30%)
Management of debt in the Department required a moratorium on the further roll-out to hospitals to enable IT staff to produce the required reports regarding outstanding debt.
4. % of indicator drugs immediately available and dispensed to patients = 89% (Target = 90%)
Drugs not always available from the Central Medical Depot due to various supply problems.
5. % of pharmacists posts filled = 74% (Target = 80%)
Remuneration packages are not competitive with the private sector. In addition some other provinces offer higher salaries.

6. Average number of medico-legal queries = 593 (Target = 650)
Projection is an estimate based on the trends over the previous 3 years, but will vary each year according to a number of factors, most of which are beyond the Directorate's control. However, the target figure is still set each year in order to track utilisation of the advisory service, rather than as a pure performance criterion.
7. % of regional offices and facilities with quality improvement plans = 75% (Target = 80%)
The deficit is due to the absence of dedicated Quality Assurance Managers to formulate the plans.
8. Tertiary facilities that have conducted an external client satisfaction survey = 67% (Target = 100%)
1 of the 3 facilities did not conduct a survey.
9. Secondary facilities that have conducted an external client satisfaction survey = 63% (Target = 100%)
The schedule of surveys completed (updated in March 2006) reflects that 92% of facilities conducted surveys in 2005/06.
10. Clinics that have conducted an external client satisfaction survey = 14% (Target = 30%)
Due to the complaints about waiting times, waiting time surveys were identified as a priority and conducted. It appears that the target was too ambitious.
11. % of facilities that submit quarterly returns on the number of client complaints and compliments = 91% (Target = 100%)
One Directorate and a few facilities did not submit returns. However the 91% achieved is in the opinion of the Department more than satisfactory.

PROGRAMME 2: DISTRICT HEALTH SERVICES

AIM

To render Primary Health Care and District Hospital Services.

ANALYSIS PER SUB-PROGRAMME

Sub-programme 2.1: District management

Planning and administration of services, managing personnel- and financial administration and the co-ordination and management of the day hospital organisation and community health services rendered by local authorities and non-governmental organisations within the Metro and determining working methods and procedures and exercising district control.

Sub-programme 2.2: Community health clinics

Rendering a nurse driven primary health care service at clinic level including visiting points, mobile- and local authority clinics.

Sub-programme 2.3: Community health centres

Rendering a primary health service with full-time medical officers in respect of mother and child, health promotion, geriatrics, occupational therapy, physiotherapy, psychiatry, speech therapy, communicable diseases, mental health, etc.

Sub-programme 2.4: Community based services

Rendering a community based health service at non-health facilities in respect of home based care, abuse victims, mental- and chronic care, school health, etc.

Sub-programme 2.5: Other community services

Rendering environmental and port health etc.

Sub-programme 2.6: HIV and AIDS

Rendering a primary health care service in respect of HIV and AIDS campaigns and special projects.

Sub-programme 2.7: Nutrition

Rendering a nutrition service aimed at specific target groups and combines direct and indirect nutrition interventions to address malnutrition.

Sub-programme 2.8: Coroner services

Rendering forensic and medico legal services in order to establish the circumstances and causes surrounding unnatural death.

Sub-programme 2.9: District hospitals

Rendering of a hospital service at district level.

Sub-programme 2.10: Global Fund

Strengthen and expand the HIV and AIDS prevention, care and treatment programmes.

ANALYTICAL REVIEW OF PROGRAMME PERFORMANCE

The analysis of programme performance will focus on the eight (8) divisional priorities which were prioritised at the beginning of 2004/05 based on the quadruple burden of infectious diseases especially TB; HIV and AIDS; chronic diseases and injuries and the international, national and provincial policy and strategic imperatives stemming from the Millennium Development Goals, the National Health Act, the Strategic Priorities for the National Health System 2004 –2009, iKapa Elihlumayo, HealthCare 2010.

These priorities are divided into two groups:

- a) system priorities, which are critical in the implementation of the District Health System (DHS) including district hospitals, community based services and
- b) health programme priorities geared towards the improvement of the overall health status by serving as the key entry points into health services. The priority health programmes are the tuberculosis, HIV and AIDS, women's and child health and chronic disease programmes.

Advancing the implementation of the District Health System

Management & Governance Structures

The implementation of the DHS as set out by the New National Health Act (no.61 of 2003) is progressing in the Province. One of the key activities the Province has been engaged in has been the assumption of responsibility for PPHC services in the non-metro regions funded by a policy option of R65,850 m. As of 1 March 2006, the Provincial Department of Health assumed operational responsibility of the PPHC services at non-metro health districts. The process to transfer staff, moveable and immovable assets from municipalities are currently being negotiated. However the Province has taken on 473 municipal staff where:

- (a.) Permanent municipal staff resigned and joined provincial services
- (b.) Temporary contract municipal staff did not renew their contracts with municipalities, but were appointed by the Province
- (c.) Municipal posts had been vacant for some time and needed filling
- (d.) Urgent posts that had to be filled as a result of the assumption of responsibility process, e.g. drivers, workshop staff.

There are still 638 staff to be transferred to the Department.

Unlike in the non-metro regions, both the Provincial Department of Health and the City of Cape Town (COCT) provides PPHC services in the Metro. Out of the 152 service points in the Metro, 22 were jointly managed by both spheres of government. However due to separate managerial and administrative structures of the two spheres, service delivery was negatively affected. Therefore in 2005/06 the Province and the City agreed to consolidate eight (8) facilities that were most problematic. To date all staff has been consolidated into a single provider in the eight facilities (Durbanville CHC, Ikwezi CHC, Ocean View CHC consolidated into the City and Vanguard, Site B, Delft, Gustrouw and Hout Bay CHC's have been consolidated into the Province)

Governance structures are mandated by the NHA and are seen as the Department's interface with the community to firstly hold the Department accountable for the services that they have been mandated to deliver and secondly to start utilising the social capital embedded in communities to advance service delivery. In that regard, the MEC of Health has established the Provincial Health Council but this will be re-constituted since some members are no longer Local Government (LG) councillors as a result of the LG elections.

Community participation structures at a facility level have been established widely with 66.3% of PHC facilities having a functioning structure. This has been a significant improvement from 29% in 2003/04.

The HealthCare 2010 service plan that details the comprehensive PHC services, service platform and the decentralisation of management to district and sub-district level is being finalised. The finalisation of this process will result in the formal establishment of district and sub-district management structures seen as critical in the effective and efficient delivery of comprehensive primary health care and level one acute hospital services.

PHC Services

PHC expenditure per uninsured and per headcount was less than the target set for the year and less than 2004/05 and 2003/04. The PHC headcount has however not increased significantly in the last three financial years and the utilisation rate for both the under 5's and general PHC has decreased since last year. The Province is therefore at minimum providing the same quantum of services as it was last year at a lower cost.

It should be noted that even though there was a 24% increase in the global Programme 2 budget from 2004/05, approximately 51% of that increase was as a result of shift in function (district management, non-metro assumption of responsibilities, coroner services) and an additional 17% of the increase was in HIV and AIDS conditional grant and Global Fund.

With the assumption of responsibilities in the non-metro region, it could be that the Province is providing the PHC services more efficiency though that would have to be analysed further.

The performance of the Province in the provision of PHC services and thus the quality of services provided with this decreased expenditure seems to be varied; with good performance in some indicators e.g. good performance in maternal and child health, but less acceptable performance in TB cure rates and HIV prevention.

An encouraging indicator for PHC services in the face of a nursing crisis is the number of professional nurses in fixed PHC facilities per 100,000 uninsured people, which has increased significantly from 41 in the previous year to 50 in this year much higher than the target of 44 that was set.

In terms of the Department's HealthCare 2010 strategy, PHC services will be strengthened and in particular the Province will be moving towards a nurse based PHC service. Therefore there is likely to be an increased demand for clinical nurse practitioners, even though this figure of 50 professional nurses per 100,000 population includes nurses from LG, it is however important to ensure that there is not a shift of specialised nurses from trauma units and theatres who can only advance to salary level 7 to be clinical nurse practitioners who can advance to salary level 8 at the expense of ensuring an adequate hospital service.

Improving Service Delivery

Our area of development in PHC services is in improving access to services through the Healthcare 2010 service plan and the quality of our services by improving the documentation of our supervision visits when they do occur and ensuring that the findings of the supervision visits result in action being taken to improve services.

One of the other key strategies in providing efficient services at the CHC's has been the computerisation and networking project. This phased project funded by a policy option of R9m, has provided 27 CHC's with an Information Communication Technology (ICT) infrastructure. Thirteen metro facilities have already been installed with a patient registration system called the Patient Master Index (PMI) system. It is expected that by end of March 2007 all CHC's will have the full infrastructure and have the PMI system.

The formal approval of HealthCare 2010 and the institutionalisation of district and sub-district management structures are eagerly anticipated and are seen as a key turning point towards the effective and efficient delivery of services. The process of integrating the provision of PPHC services to a single provider at 5 out of the 6 districts and the mainstreaming of service provision and performance reporting will likely also result in a better understanding of the resources used to provide PPHC services, their efficient use, the coverage of the outputs thereof and the quality of the services provided.

Community Based Services (CBS)

Even though community based services have been rendered in all sub-districts across the Province, until recently the services were fragmented according to vertical health programmes and the respective service providers. A consequence of this service fragmentation was a fragmented line management, a lack of integrated planning and management of CBS. The management and planning of CBS is complicated by a flow of diverse sources of funding, most of which is “seed money” sourced from donor funding with different criteria and conditions attached.

This situation has however improved. The planning and management of community-based services is now less fragmented due to the development of a Provincial Service Plan. Even though the services are still significantly funded by donor funds, in particular the European Union, these funds have been used to institutionalise the planning and management of CBS into DHS.

In the last financial year there were 3,471 category 3 clients seen and 933 NPO appointed carers. These indicators do not adequately show the workload within the CBS and thus will be changed from the next financial year to be more reflective of both category 2 and 3 clients.

In the next financial year the Department will receive over R17m from the Extended Public Works Program to train 1,430 community based workers. In addition to service rendering aims of this project, it also has long term aims to create a career path for community based workers to ultimately be professional health workers if they so desire.

Community based services are an area for development for the Department because the Province recognizes that there is a diverse and rich resource within communities that must still be fully leveraged to complement its work while at the same time strengthening networks within communities and establishing a platform for real dialogue with local communities towards building social capital to increase social cohesion.

Improving the efficiency of district hospitals

Management & Governance Structures

District Hospitals are an integral part of the District Health System (DHS) providing an acute in-patient service. All district hospitals have CEO's and all but one have a hospital board to ensure good governance. There has been a significant increase in the proportion of hospitals with asset registers from 45% last year to 73% in 2005/06.

District Hospital Services

Level one bed availability is important in ensuring a strong DHS. In the Western Cape the number of useable beds per 1,000 uninsured population has decreased slightly to 0.32 from 0.4 in the previous financial year and is in fact still much lower than the HealthCare 2010 target of 0.59 per 1,000 and lower than the national target of 0.5 per 1,000.

To further the cause of increasing level one bed availability, the Province has received approval for Hospital Revitalisation Programme (HRP) funding to commission Khayelitsha and Mitchell's Plain District Hospitals and plans are underway to build these hospitals by 2010. Currently there are 90 beds at Tygerberg Hospital and 30 beds at Karl Bremmer Hospital acting as a hub for the future Khayelitsha District Hospital funded by a policy option of R20m. Furthermore, in the HealthCare 2010 Service Plan there will also be Level 2 beds that will become Level 1 beds.

A picture in expenditure is similar here as it is in the PHC services. The Province is spending less per uninsured person than it did last year and in 2003/04. At the same time; as a proportion of total expenditure, the Province is also spending less on staff and drugs. This could imply that the Province is spending the money in the budget line of goods and services paying for session and agency staff. This could be explained by the fact that 50%, 59% and 18.2% of our district hospitals have a vacancy rate of more than 25% for doctors, pharmacists and nurses respectively.

Similar to the picture seen in PHC services, while the Province is spending less per uninsured person, PDE's are less than what they were three financial years back. However the expenditure per PDE has increased by about 9% in the last three financial years, which is much higher than the average inflation in the last three years (5.1%), and by about 5% from previous financial year only marginally higher than average inflation from last year (4.1%). This could mean that fewer service volumes are being provided at a higher cost.

It must however be noted that the type of services being provided at district hospitals seem to have become more complex thus likely to be more expensive. In the last three financial years the caesarean section rate has increased by about 70% from 8.2% to 14.3%.

The fatality rate for surgery separations has however only slightly increased from 0.62% in 2003/04 and 2004/05 to 0.7% in 2005/06. Even though this is much higher than the set target of 0.2%, it should be noted that it is much lower than the national norm for district hospitals of 1.33%. This implies that the quality of services may have not been significantly affected.

Improving Service Delivery

Even though the quality of services have not significantly decreased, there has been a slight decrease and it is of concern that only 45% of district hospitals have morbidity and mortality meetings on a monthly basis to ensure the maintenance of high standards of care especially when services seem to be becoming more complex. However through the HRP Health Management Quality Improvement Grant the Department has collaborated on a project called the Maintenance of Competence Project (MOCOMP) with the University of Stellenbosch and the University of Cape Town to improve and maintain knowledge, appropriate skills and overall levels of competence of health care professionals working in district hospitals. In addition the Department will continue to ensure that M&M meetings occur and that clinical governance is strengthened.

The implementation of HealthCare 2010 will impact positively on the services in the DHS as the number of Level 1 beds are expected to increase and the district hospital will play a much more supportive role to the PHC platform to improve services in the DHS and encourage a seamless service throughout all the levels of care.

HIV and AIDS and TB

HIV and AIDS

The Province has had significant success firstly in extending the PMTCT programme province wide and then rolling out the ARV programme. The ARV programme is now available at 43 sites through out the Province and is treating 16,343 patients, which translates to about 61% of all those requiring treatment. This has been a very significant achievement.

It must be noted though that even if the Province has enrolled about 11,000 patients in the last financial year projections show that there would need to be more than double that number of people enrolled per year to increase the coverage of those who require treatment to about 80% over the next 5 years.

This issue presents significant challenges on one hand of decreasing the burden of AIDS on individuals, communities, the health and social sector, the economy etc and on the other hand the question of affordability and sustainability. This is a difficult challenge that has no easy answers but one that will however have to be addressed Provincially and Nationally with a view of coming up with innovative solutions.

Prevention still remains a challenge. The VCT coverage rate has been increasing significantly. Three financial years ago the VCT coverage rate was 3% and in 2005/06 it was 8.5%, exceeding the target of 7.5%. However male condom distribution and STI partner treatment rates have been decreasing in the last three financial years.

To respond to this challenge the Province has set up an HIV and AIDS Prevention Task Team to guide the implementation of the Provincial Accelerated HIV Prevention Strategy. This strategy includes strengthening the already existing programmes such as STI, VCT, PMTCT and condom distribution; improving the communication strategy and initiatives, targeted interventions and improving surveillance by including incidence testing as part of the annual antenatal HIV surveillance survey.

Tuberculosis

TB is a significant challenge in the Western Cape. The TB incidence in the Western Cape is almost double that of the National average and like elsewhere in the country, the HIV epidemic has fuelled the TB epidemic. The increase in TB incidence has actually been disproportionately higher in geographic areas with higher HIV prevalence. In 2005/06 the Department received a policy option of R4.4m to support TB services.

The Department has steadily increased Directly Observed Treatment (DOT) support to its clients, in 2005/06 more than 90% of patients had a DOT supporter. The availability of TB sputum results as soon as possible is a critical step required to ensure a low initial defaulter rate. The Province has unfortunately not met its target of ensuring that only 22% of TB specimens have a turn around time of more than 48 hours. Currently 28% of TB specimens have a turn around time of more than 48 hours.

The TB treatment interruption rate is an indicator that directly influences the TB cure rate. The TB treatment interruption rate has been decreasing over the last three financial years from 13% in 2003/4 to 11.9% in 2005/06. This improvement however falls short of the provincial target of 11% and even further from the national target of 5%.

The Province had targeted to have a cure rate of 73% for this past financial year this however was not reached. The TB cure rate decreased from 72% in 2003/04 to 68.3% in 2004/05 and showed an improvement to 69.3% in 2005/06. This decrease in the TB cure rate has declined as a result of a disproportionate drop in the cure rate in the 5 sub-districts with the highest TB caseloads.

To respond to this, the Department has developed a strategy to accelerate an enhanced response in controlling TB in the province and has received a policy option of R12.5m for 2006/07 to focus on:

- (1.) An improved community-based TB control service
- (2.) An improved PHC service for TB in the 5 sub-districts (Khayelitsha, Klipfontein, Eastern, Drakenstein, Breede Valley) with the highest burden for TB
- (3.) An improved in-patient TB service

Women's Health

Antenatal coverage has remained above 80% in the last three financial years, however it has been decreasing from 87.9% in 2003/04 to 83.9% in 2005/06 and is less than the target of 90% set. Ensuring high antenatal coverage and antenatal coverage for women less than 20 weeks gestation is a key priority for 2006/07.

Cervical cancer screening has been a priority in the Department since 2004 and this is evidenced by the significant increase in the number of women screened from 2003/04. In 2005/06, 5.5% of all women aged 30 – 59 years were screened translating to 75% of the target of 8%. In the two previous financial years only about 40% of the target was reached.

The institutional delivery rate for women under 18 years is hovering around 10% in the last three years. This may be an indication that teenage deliveries have remained relatively constant over time.

Child Health

Full immunisation and measles coverage for under one's has remained above 90% in the last three financial years. The proportion of children under five years not gaining weight has decreased significantly from 2.6% in the 2003/04 and 2004/05 to 0.8% in 2005/06.

Vitamin A coverage for under one's was 26.5% well below the target of 85%. This is as a result of an introduction of a new protocol that covers all children under one and not just those who are malnourished like had been the practice before. The Province will continue to improve the performance on this indicator.

Chronic Disease Management

The Department is currently developing a comprehensive chronic disease management strategy where in the short term a rapid appraisal will be done looking at health worker practice, client support, organisational and management systems and minimum standards instituted. In the medium to long term, there will be an in depth assessment done and policy formulation and implementation plans developed.

Rural Development Nodes

The Central Karoo District is the only rural development node in the Province. The health budget to the Central Karoo has increased by about 12% from R41m to R46m from 2004/05 to 2005/06. There is a wide range of PPHC services offered in each sub-district. Preventative and curative services are well integrated. All sub-districts have a district hospital with a ratio of beds per 1,000 population nearly 4 times higher than the national target of 0.5 beds per 1,000 population. This is because the area is so sparsely populated.

Urban Renewal Nodes

The Khayelitsha and Mitchell's Plain sub-districts are the urban renewal nodes in the Province. They also have a wide range of PPHC services offered in the sub-districts though the two spheres of government offer preventative and curative services. As already mentioned, Site B CHC was one of the facilities which benefited from the consolidation of PHC services in the Metro.

In 2005/06 in addition, these two sub-districts were beneficiaries of a program to combating diarrhoeal disease and increasing immunisation coverage which involved the employment of 70 community based workers to implement a set of household and community based interventions aimed at addressing the key causes of childhood morbidity and mortality.

These sub-districts do not currently have district hospitals but the Province has received HRP funding to commission them. As already explained above, there are 120 beds at Tygerberg and Karl Bremer Hospitals that are functioning as a hub for Khayelitsha. It is expected that both Khayelitsha and Mitchell's Plain Hospitals will be completed by 2010.

Table 4: Performance against targets from 2005/06 strategic plan for the District Health Systems programme

Sub-programme	Objectives (Outputs)	Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2005/06 Strat Plan Target
District management	Implementation of the district health system.	Number of health district management structures created.	Not applicable	Not applicable	Structure not implemented	New macro-structure implemented for Division

Sub-programme	Objectives (Outputs)	Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2005/06 Strat Plan Target
		% of districts with appointed managers.	Not applicable	66.6%	66.6%	80%
		% of District Health Plans developed.	Not applicable	83%	100%	100%
Community health clinics	Provision of Primary Health Care (PHC) services to uninsured citizens of the Western Cape.	Number of PHC visits per annum.	7,364,716	7,125,803	7,440,280	8,000,000
	Provision of immunisation coverage as per World Health Organisation (WHO) standard.	% of 1 year olds immunised.	91.6%	91.3%	91.3%	85%
	Implement cervical screening programme in Clinics and Community Health Centres (CHC's).	% of patients in target group reached.	40.3%	38.9%	5.5% ²	75% (5.5%)
	Effective clinical management of suspected TB cases.	% of smear positive TB cases cured.	72%	68.6%	69.3%	73%
Community health centres	Provision of CHC services.	Number of CHC visits per annum.	4,998,620	5,122,015	5,157,829	4,954,226
	Improve facility management.	Number of facility managers appointed.	Not applicable	15	15	40
	Improve management information.	Number of facilities linked to Provincial Intranet.	Not applicable	15	27	40
Community based services	Home-based care services to be provided in all sub-districts.	Number of category 3 clients receiving home-based care.		2,910	3,471	4,717
		Number of home-based carers appointed.	125	125	933	650
HIV and AIDS	Roll-out of Anti-retroviral (ARV) therapy.	Number of patients receiving ARV treatment.	2,000	7,670	16,343	9,305

2 Women aged 30 –59 years receive one cervical smear every ten years thus in a year we should screen 10% of women aged 30 – 59 years. Since we largely cater for the uninsured population (73% of total population), we should screen 8% of women aged 30-59 years in any one year. The target of 75% is therefore 75% of the 8% of women we should screen. This indicator is extremely confusing so the Division has decided to simplify it by targeting the actual % we would like to screen. Therefore the target for 2005/06 is 5.5% of all women aged 30 –59 years. We will reach the target of 8% in 2008/09.

Sub-programme	Objectives (Outputs)	Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2005/06 Strat Plan Target
	Provision of preventive therapy to pregnant HIV positive mothers.	% of districts offering PMTCT.	< 10%	100%	100%	100%
	Voluntary counseling and testing.	% VCT coverage of the population.	3%	7.1%	8.1%	6%
Nutrition	Monitoring of growth in vulnerable children.	% of babies provided with a Road-to-Health Chart. ³	90%	100%	148%	100%
	Micro-nutrient supplementation to vulnerable children.	Vitamin A coverage under 1 year	Not applicable	Not applicable	26.5%	85%
District hospitals	Optimal utilization of in-patient capacity.	Bed occupancy rate.	66%	76%	72%	70%
	Provide an out-patient service.	Number of out-patients.	492,880	442,667	447,414	684,727
	Provide an in-patient service.	Number of inpatient days.	419,193	486,236	397,751	441,760
	Provide an effective hospital service.	Number of patient day equivalents.	667,744	725,693	643,244	670,002
Global Fund HIV and AIDS programme	Roll-out of Anti-retroviral (ARV) therapy.	Number of patients receiving ARV treatment.	Not applicable	1,300	5,895	2,695
	Expansion of peer education.	Number of peer educators trained.	Not applicable	1,000	4,410	1,470
	Expansion of palliative in-patient services.	Number of in-patient days.	Not applicable	18,000	38,153	28,000
	Provision of community-based response.	Number of community-based projects.	Not applicable	28	160	59

Comments:

- Number of facility managers appointed at CHCs = 15 (Target = 15 in Strategic Plan, but 41 in Budget Statement)
There was a policy option budget for only 15 managers for which funding was allocated.
- Number of CHC facilities linked to the Provincial internet = 27 (Target = 40)
The project has progressed slower than initially anticipated.
- Number of category 3 clients receiving home-based care = 3,471 (Target = 4,717)
There was a problem with the reporting system which resulted in inflated numbers of patients. These inflated numbers were used for target setting. This reporting system has since been addressed.

³ The numerator also includes repeat issues of RTH. It is not possible to separate re-issues from first issues in the way the data is currently collected. This indicator will not be used from next financial year.

4. % of malnourished children provided with Vitamin A supplementation = 26.5% (Target = 85%)
Reported on Vitamin A coverage is for all children under 1 year rather than malnourished children. This was due to a change in policy where all children under 1 were given Vitamin A rather than only the malnourished ones. No data was available for City of Cape Town for the reporting period.
5. Number of outpatients = 447,414 (Target = 684,727)
The Department has taken a strategic decision to provide as much of the outpatient services at the Community Health Centers as is possible rather than at the District Hospitals. This strategy is more cost effective.
6. Number of in-patient days = 397,751 (Target = 441,760)
Even though the in patient days are less than anticipated, the use of the current hospital beds is efficient. The bed utilisation rate is good and the average length of stay is within the target. The number of caesarean sections done has also significantly increased.

REPORTING ON STANDARD NATIONAL INDICATORS

Table 5: District Health System

Indicator	Type	2003/04 Actual	2004/05 Actual	2005/06 Actual	2005/06 Strat Plan Target
Input					
1. Uninsured population served per fixed public PHC facility	No	12,354	12,184	10,042	12,347
2. Provincial PHC expenditure per uninsured person	R	241	289	242	253
3. Local government PHC expenditure per uninsured person	R	44	54	33	53
4. PHC expenditure (provincial plus local government) per uninsured person	R	295	341	276	286
5. Professional nurses in fixed public PHC facilities per 100,000 uninsured people	No	29.0	29.5	50.4	44.8
6. Sub-districts offering full package of PHC services	%				85
7. EHS expenditure (provincial plus local government) per uninsured person	R				10
Process					
8. Health districts with appointed manager	%				66
9. Health districts with plan as per DHP guidelines	%				100
10. Fixed PHC facilities with functioning community participation structure	%	28	40	66.3	60
11. Facility data timeliness rate	%	Not available	70	Not available	100
Output					
12. PHC headcount	No	12,997,879	12,884,522	13,068,303	14,436,450
13. Utilisation rate – PHC	No	2.7	2.9	2.8	3.0
14. Utilisation rate – PHC under 5 years	No	5.5	5.5	5.2	5.4

Indicator	Type	2003/04 Actual	2004/05 Actual	2005/06 Actual	2005/06 Strat Plan Target
Quality					
15. Supervision rate	%	Not available	50%	Not available	60%
16. Fixed PHC facilities supported by a doctor at least once a week	%	Not available	Not available	Not available	No target set
Efficiency					
17. Provincial expenditure per visit (headcount) at provincial PHC facilities	R	85	79	64	84
18. Expenditure (provincial plus local government) per visit (headcount) at public PHC facilities	R	101	98	72	95
Outcome					
19. Districts with a single health provider	%	0	0	83.3	0
Service volumes					
20. Clinic headcounts	No	7,364,716	7,125,803	7,440,280	8,000,000
21. CHC headcounts	No	4,998,620	5,122,015	5,157,829	4,954,226
22. Mobile headcounts	No	518,702	511,148	470,194	No target set

Table 6: District Hospitals

Indicator	Type	2003/04 Actual	2004/05 Actual	2005/06 Actual	2005/06 Strat Plan Target
Input					
1. Expenditure on hospital staff as percentage of total hospital expenditure	%	73.0	71.7	65.4	70.0
2. Expenditure on drugs for hospital use as percentage of total hospital expenditure	%	6.3	6.5	3.4	6.5
3. Hospital expenditure per uninsured person	R	103.07	107.34	87.01	119.03
Process					
4. Hospitals with operational hospital board	%	100	100	96	100
5. Hospitals with appointed (not acting) CEO in place	%	86	100	100	100
6. Facility data timeliness rate	%	90	90	Not available	90
Output					
7. Caesarean section rate	%	8.2	10.7	14.3	14
Quality					
8. Hospitals with a published nationally mandated patient satisfaction survey in last 12 months	%	50	100	46	100
9. Hospitals with clinical audit (M&M) meetings at least once a month	%	85	100	45	100

Indicator	Type	2003/04 Actual	2004/05 Actual	2005/06 Actual	2005/06 Strat Plan Target
Efficiency					
10. Average length of stay	Days	2.6	2.5	2.8	2.7
11. Bed utilisation rate (based on useable beds)	%	66	76	71	70
12. Expenditure per patient day equivalent	R	596.29	618.17	650.87	624.09
Outcome					
13. Case fatality rate for surgery separations	%	0.62	0.62	0.7	0.20
Service volumes					
14. Separations	No	167,150	195,150	257,219	No target set
15. OPD headcounts	No	492,880	442,667	447,414	684,727
16. Day cases (= 1 separation = ½ IPD)	No	14,740	16,954	17,508	No target set
17. Casualty headcount	No	230,663	250,274	264,752	No target set
18. PDEs	No	667,744	725,693	643,244	670,002

Table 7: HIV and AIDS, STIs and TB

Indicator	Type	2003/04 Actual	2004/05 Actual	2005/06 Actual	2005/06 Strat Plan Target
Input					
1. Fixed PHC facilities offering PMTCT	%	100	100	100	100
2. Fixed PHC facilities offering VCT	%	100	100	100	100
3. Hospitals offering PEP for occupational HIV exposure	%	100	100	100	100
4. Hospitals offering PEP for sexual abuse	%	73.6	73.6	41	75
Process					
5. TB cases with a DOT supporter	%	88.3	90	93	95
6. Male condom distribution rate from public sector health facilities	Per k male ≥ 15 yrs	11.2	15.6	20.1	12
7. Male condom distribution rate from primary distribution sites	Per k male ≥ 15 yrs	17.3	18.0	19.9	22
8. Nevirapine stock out	%	Not measured	Not measured	Not measured	Not measured
Output					
9. STI partner treatment rate	%	26.4	20.9	18.3	25
10. Nevirapine uptake rate among babies born to women with HIV	%	90	90	88	90
11. VCT client pre-test counselling rate	%	1.6	2.0	1.5	2.5

Indicator	Type	2003/04 Actual	2004/05 Actual	2005/06 Actual	2005/06 Strat Plan Target
12. TB treatment interruption rate	%	13	11.5	11.9	11
Quality					
13. TB sputa specimens with turnaround time > 48 hours	%	30	26	28	22
Efficiency					
14. Dedicated HIV and AIDS budget spent	%	70.3	105	101	100
Outcome					
15. New smear positive PTB cases cured at first attempt	%	72	68.6	69.3	73
16. New MDR TB cases reported – annual % change	%				(2)
Service volumes					
17. STI case – new episode	No	71,846	104,362	97,302	No target set
18. Patients registered for ART	No	2,339	7,670	16,343	9,305

Table 8: Maternal, Child and Women's Health including nutrition

Indicator	Type	2003/04 Actual	2004/05 Actual	2005/06 Actual	2005/06 Strat Plan Target
Input					
1. Hospitals offering TOP services	%	83	86	92	88
2. CHCs offering TOP services	%	33	45	80	48
Process					
3. DPT-Hib vaccines out of stock	%	Not measured	Not measured	Not measured	No target set
4. AFP detection rate	%	1.8	1.93	1.9	2.0
5. AFP stool adequacy rate	%	78	96	84	80
Output					
6. Schools at which phase 1 health services are being rendered	%	20	20	Not available	No target set
7. (Full) Immunisation coverage under 1 year	%	91.6	91.3	91.3	85
8. Antenatal coverage	%	87.9	82.2	83.9	90
9. Vitamin A coverage under 1 year	%	Not available	Not available	26.5	85
10. Measles coverage under 1 year	%	78.1	91.7	90.7	90
11. Cervical cancer screening coverage	%	40.3	38.9	5.5 ⁴ (75)	75 (5.5%)

⁴ Women aged 30–59 years receive one cervical smear every ten years thus in a year we should screen 10% of women aged 30–59 years. Since we largely cater for the uninsured population (73% of total population), we should screen 8% of women aged 30–59 years in any one year. The target of 75% is therefore 75% of the 8% of women we should screen. This indicator is extremely confusing so the Division has decided to simplify it by targeting the actual % we would like to screen. Therefore the target for 2005/06 is 5.5% of all women aged 30–59 years

Indicator	Type	2003/04 Actual	2004/05 Actual	2005/06 Actual	2005/06 Strat Plan Target
Quality					
12. Facilities certified as baby friendly	%	8	12	5	10
13. Facilities certified as youth friendly	%	2	2	Not available	15
14. PHC facilities implementing IMCI	%	50	79	81	No target set
Outcome					
15. Institutional delivery rate for women under 18 years	%	9.6	11	10.1	11.5
16. Not gaining weight under 5 years	%	2.9	2.6	0.8	No target set

Table 9: Disease prevention and control programme

Indicator	Type	2003/04 Actual	2004/05 Actual	2005/06 Actual	2005/06 Strat Plan Target
Input					
1. Trauma centres for victims of violence (sexual assault, family violence)	No	41	41	41	1 per district
Process					
2. CHCs with fast queues for elder persons	%	Not available	Not available	Not planned	Not planned
Output					
3. Districts with health care waste management plan implemented	No	6	6	6	6
4. Hospitals providing occupational health programmes	%	27	35	35	100
5. Schools implementing Health Promoting Schools Programme (HPSP)	%	Not available	7	Not planned	Not planned
6. Integrated epidemic preparedness and response plans implemented	Y/N	Y	Y	Y	Y
7. Integrated communicable disease control plans implemented	Y/N	Y	Y	Y	Y
Quality					
8. Schools complying with quality index requirements for the Health Promoting Schools Programme	%	No standard tool	No standard tool	No standard tool	No target set
9. Outbreak response time	Days	3	3	1	1
10. Waiting time for a wheelchair	Weeks	6 - 8	2 - 4	4	No target set
11. Waiting time for a hearing aid	Weeks	Not available	4 - 6	4 - 6	No target set

Indicator	Type	2003/04 Actual	2004/05 Actual	2005/06 Actual	2005/06 Strat Plan Target
Efficiency					
12. Waiting time for cataract surgery	Months	Not available	18	18	No target set
Outcome					
13. Dental extraction to restoration rate	%	Not available	Not available	17%	15
14. Malaria fatality rate	%	4.5	2.3	Not available	No target set
15. Cholera fatality rate	%	0.0	0.0	Not available	No target set
16. Cataract surgery rate	No	852	757		2,069

PROGRAMME 3: EMERGENCY MEDICAL SERVICES

AIM

The rendering of pre-hospital emergency medical services including inter-hospital transfers and planned patient transport.

ANALYSIS PER SUB-PROGRAMME

Sub-programme 3.1: Emergency medical services

Rendering emergency medical services including ambulance services, special operations, communications and air ambulance services.

Sub-programme 3.2: Planned patient transport

Rendering planned patient transport including local outpatient transport (within the boundaries of a given town or local area) and inter-city/town outpatient transport (into referral centres).

ANALYTICAL REVIEW OF PROGRAMME PERFORMANCE

The Emergency Medical Services are the first point of contact and access for patients to the Healthcare System, particularly with respect to patients with serious emergency medical conditions. The increasing indigent population in the Western Cape and the associated burden of violence, injury, infectious diseases and social deprivation place increasing stress on EMS to provide access to hospitals.

EMS comes off a low base where investment in personnel and ambulances has not kept pace with the growth in the Cape Town Metropolitan Area in particular but in the Western Cape in general. The result is poor ambulance response times across the Province.

The current emphasis in EMS is around creating the foundation from which to launch EMS performance with a focus on:

- Communications systems
- Personnel numbers
- Management capacity
- Vehicles and equipment

EMS is currently receiving data both from operational managers in stations throughout the Province and from its Computer Aided Dispatch system in the process of being installed in the six districts of the Western Cape. The two data sets are yet to be compared or analyzed towards creating a single statistical report for EMS. The data currently being reported has its origins in the manual reports being submitted by station managers which is continuously under going quality management but is recognized to have inherent limitations. It is anticipated that future reports generated by the CAD System will display data discrepancies from that currently reported.

In the Metropolitan Area volunteers had supplemented the professional EMS service and masked the personnel gap in the service. The majority of "volunteers" have now been employed. However, management of volunteer groups are problematic and a volunteer policy has been drafted.

An additional 73 Emergency Care Practitioners were appointed in the Metropole, and the shift system has been adapted so as to match emergency rates with staffing levels.

The EMS managers transferred from the local authorities have demonstrated a lack of skills which has negatively impacted on the capacity of EMS to deliver services. During 2005/06 an audit of staff qualifications was undertaken highlighting the deficient capacity of EMS Management. Formal management programmes through a University are being investigated.

In the rural areas response times are improving and moving towards achieving the National response time targets. However, in the metropolitan area response times are far short of National targets principally related to the shortage of personnel (calculated requirement at current emergency rates is an additional 240 personnel). An additional 15 ambulances have been ordered in the Metro and the vehicle tracking and Computer Aided Dispatch System is being implemented. Contracts are also being negotiated with NGOs and the private sector to improve co-operation and improve efficiency. Planned Patient Transport services are being improved to relieve the load on the Emergency Service.

REPORTING ON STANDARD NATIONAL INDICATORS

Table 10: Emergency medical services and planned patient transport

Indicator	Type	2003/04 Actual	2004/05 Actual	2005/06 Actual	2005/06 Strat Plan Target
Input					
1. Ambulances per 1,000 people	No	0.045	0.041	0.037	0.056
2. Hospitals with patient transporters	%	0	5	5	0
Process					
3. Kilometres travelled per ambulance (per annum)	Kms	61,449	57,258	58,231	50,000
4. Total kms travelled by ambulances per 1,000 people per year	Kms	4,222	3,111	1,985	4,100
5. Total kms travelled by fixed wing air ambulances per year	Kms	171,533	126,886	170,047	185,000
6. Total kms travelled by rotar wing air ambulances per year	Kms	112,867	115,865	117,998	120,000
7. Number of patients transported per 1,000 population by air ambulance	Kms	Not available	Not available	0.17	No target set
8. Locally based staff with training in BLS	%	20	33	48	52
9. Locally based staff with training in ILS	%	71	60	44	44
10. Locally based staff with training in ALS	%	9	7	8	4
Quality					
11. Response times within national urban target (15 mins)	%	Not available	Not available	30	65
12. Response times within national rural target (40 mins)	%	Not available	Not available	70	75
13. Call outs serviced by a single person crew	%	0	0	0	0
Efficiency					
14. Ambulance journeys used for hospital transfers	%	30	14	20	0
15. Green code patients transported as % of total	%	49	37	29	30

Indicator	Type	2003/04 Actual	2004/05 Actual	2005/06 Actual	2005/06 Strat Plan Target
16. Cost per patient transported	R	593	502	557	450
17. Ambulances with less than 500,000kms on the clock	%	100	100	100	100
Output					
18. Patients transported per 1,000 separations	No	Not available	Not available	Not available	No target set
Volume indicator					
19. Number of emergency call-outs	No	413,886	453,288	374,485	No target set
20. Patients transported (routine patient transport)	No		49,191	50,974	No target set

Comments:

1. % of response time within 15 mins in town = 30% (Target = 65%)
The poor response time performance reflects under resourcing of the Metropole EMS and a high service load.
2. % of response time within 40 mins out of town = 70% (Target = 75%)
The response time performance in the rural areas reflects improved resourcing of rural services which are progressively improving.

PROGRAMME 4: PROVINCIAL HOSPITAL SERVICES

AIM

Delivery of hospital services, which are accessible, appropriate, effective and provide general specialist services, including a specialised rehabilitation service, as well as a platform for training health professionals and research.

ANALYSIS PER SUB-PROGRAMME

Sub-programme 4.1: General (Regional) hospitals

Rendering of hospital services at a general specialist level and a platform for training of health workers and research.

Sub-programme 4.2: Tuberculosis hospitals

To convert present tuberculosis hospitals into strategically placed centres of excellence in which a small percentage of patients may undergo hospitalisation under conditions, which allow for isolation during the intensive phase of treatment, as well as the application of the standardised multi-drug resistant (MDR) protocols.

Sub-programme 4.3: Psychiatric/mental hospitals

Rendering a specialist psychiatric hospital service for people with mental illness and intellectual disability and providing a platform for the training of health workers and research.

Sub-programme 4.4: Chronic medical hospitals

These hospitals provide medium to long term care to patients who require rehabilitation and/or a minimum degree of active medical care but cannot be sent home. These patients are often unable to access ambulatory care at our services or their socio-economic or family circumstances do not allow for them to be cared for at home.

Sub-programme 4.5: Dental training hospitals

Rendering an affordable and comprehensive oral health service and training, based on the primary health care approach.

ANALYTICAL REVIEW OF PROGRAMME PERFORMANCE

General Hospitals

The regional hospitals in this sub-programme continue to operate under pressure as evidenced by the high bed occupancies (between 100 and 120%) and the short length of stay (average 3.6 days). The number of day cases increased from approximately 17,000 to 19,000. There was an approximately 8% increase in trauma and emergency patients across regional hospitals. GF Jooste carries the heaviest burden of these patients (approximately 7,000 cases a month).

Additional beds were commissioned during 2005/06 to relieve the pressure at GF Jooste (10 beds), New Somerset Hospital (14 paediatric beds, 5 neonatal beds and 4 obstetric beds), Eben Donges (20 beds), Karl Bremmer (30 Kangaroo Mother Care beds), Mowbray Maternity (10 neonatal beds), George Hospital (Burns Unit 8 beds, High Care - additional 4 beds, and 8 Neonatal High Care / ICU beds).

The burden of HIV on services has escalated. At GF Jooste, there were 451 HIV related visits to Casualty in 2003. This has increased to 8,284 visits in 2005. Similar pressures to varying degrees are experienced at all the regional hospitals. The ability to manage stable patients on ARV treatment at PHC level needs to be strengthened. Infrastructure changes are required at several facilities to manage the roll out of anti-retroviral treatment at several hospitals because of the increasing patient numbers.

The obstetric services and termination of pregnancies continue to remain additional pressure points within the regional hospitals.

The Revitalisation of Hospitals Project continued at George and Worcester Hospitals. The tender for Paarl Hospital has been awarded. The upgrade at Mowbray Maternity continues while the neonatal unit has been completed.

The recruitment and retention of staff, especially professional nurses, remains an ongoing challenge. There was a net increase of 74 posts across all the regional hospitals during this financial year.

Tuberculosis Hospitals

The TB hospitals remain a challenge. The pressure on beds for MDR patients has been increasing especially for female patients. An increasing number of acutely ill patients with TB and AIDS occupy acute beds in general hospitals. The diagnosis and management of these patients remains a complex challenge. The MDR patient who habitually defaults on treatment is posing an increasing risk to the community as well as increasing burden on the hospital services. The Department is currently reviewing the admission and discharge criteria for TB patients.

A decision has been made to provincialise the SANTA TB hospitals and Harry Comay Hospital was provincialised while the remainder are in process.

Psychiatric Hospitals

The acute services within the APH hospitals continue to operate at bed occupancies between 85 to 100%. The provision of acute psychiatric services within general regional and district hospitals remains a challenge to be addressed in the coming years.

During 2005/06 significant strides were made within mental health services. The Mental Health Review Board was established as required by the new Mental Health Care Act. The APH regional Office worked hard to establish offices, provide the required infrastructure and admin support to the Board, which now operates from Lentegeur Hospital. The Board, under the chairpersonship of Dr Sutcliffe, met with a range of role players and settled well into its oversight and governance role. Regretfully, a member of the Board, Mr Hoffman from Swellendam, died during the year.

The infrastructure for the opiate detoxification unit at Stikland Hospital was completed. This is a major development given the size of the substance abuse problem within the Province and the shortage of detoxification facilities within the public sector. The infrastructure for the training academy has been completed. Plans for the first intake of registered nurses from the bridging course to train in psychiatry (diploma) are currently being developed. The training academy will be a valuable resource for the training of a range of categories of health workers. The business case for Hospital Revitalisation for Valkenberg Hospital has been approved by the National Department of Health.

The introduction of newer generation anti-psychotic medication and proposed anti-depressant medication will improve the quality of care and reduce the length of stay within our hospitals.

The de-institutionalisation of chronic patients has slowed down primarily because of the lack of adequate facilities within communities to absorb these patients. A community based services plan is being developed in this regard. An instrument to grade the functional ability of these patients has been developed. Discussions are ongoing to clarify the role and responsibilities between Health and Social Services in the management of these clients.

Chronic Hospitals

The Western Cape Rehabilitation Centre (WCRC) was moved from sub-programme 4.1 to this sub-programme in 2005/06. These hospitals play a critical role in the rehabilitation of patients as well as in decanting patients from the acute hospitals where the bed pressures are high on an ongoing basis.

Dental Hospital Services

The Department is in the process of making a consolidated assessment of Oral Health Care within the Province to enable the formulation of a comprehensive oral health strategy. The Western Cape has one of the highest incidences of edentulous people in the country. The waiting lists for dentures at the dental hospitals continue to creep upwards from 1,335 in 2004/05 to 1,490 in 2005/06. The number of theatre cases has significantly reduced from 2,119 in 2004/05 to 1,363 in 2005/06. This is because the paediatric cases and wisdom teeth are now done under conscious sedation and not included in theatre stats.

Financial Resources for the overall Programme 4

The total revenue collected above the set target for the 2005/06 financial year was R5,173m. The final expenditure for Programme 4 was R 1,295b. There was an under-expenditure of R1,416m at the closure of books.

REPORTING ON STANDARD NATIONAL INDICATORS

Table 11: Regional hospitals

Indicator	Type	2003/04 Actual	2004/05 Actual	2005/06 Actual	2005/06 Strat Plan Target
Input					
1. Expenditure on hospital staff as percentage of total hospital expenditure	%	67.7	67.3	61.4	67.0
2. Expenditure on drugs for hospital use as percentage of total hospital expenditure	%	4.4	4.5	4.6	5.2
3. Expenditure on hospital maintenance as percentage of total hospital expenditure	%	Not available	Not available	0.82	2.0
4. Useable beds		1,904	2,076	1,856	No target set
5. Useable beds per 1000 people	No	0.4	0.4	0.39	0.41
6. Useable beds per 1000 uninsured people	No	0.6	0.6	0.54	0.56
7. Hospital expenditure per person	R	142.13	158.03	165	161
8. Hospital expenditure per uninsured person	R	197.40	219.48	230	221
Process					
9. Hospitals with operational hospital board	%	90	100	100	100
10. Hospitals with appointed (not acting) CEO in place	%	86	100	100	100
11. Hospitals with business plan agreed with provincial health department	%	Not available	100	100	No target set
12. Hospitals with up to date asset register	%	Not available	100	100	No target set

Indicator	Type	2003/04 Actual	2004/05 Actual	2005/06 Actual	2005/06 Strat Plan Target
13. Maximum permitted value of procurement at discretion of hospital CEO without reference to provincial level	R	Not available	50,000	50,000	No target set
14. Facility data timeliness rate	%	Not available	Not available	84	100
Output					
15. Separations per 1000 people	Per k	38	39	39.1	41.8
16. Separations per 1000 uninsured people	Per k	52	55	54.3	57.3
17. Patient day equivalents per 1000 people	Per k	198	193	192.1	186
18. Patient day equivalents per 1000 uninsured people	Per k	276	268	266.9	254
19. Patient fee income per separation	R	194.24	156.26	202.57	No target set
20. Caesarean section rate	%	29.4	27.5	32	22.0
Quality					
21. Hospitals in facility audit condition 4 or 5	%				No target set
22. Hospitals with a published nationally mandated patient satisfaction survey in last 12 months	%	36	80	80	100
23. Hospitals with designated official responsible for coordinating quality management	%	Not available	100	100	No target set
24. Hospitals with clinical audit (M&M) meetings at least once a month	%	85	100	80	100
Efficiency					
25. Average length of stay	No	3.5	3.6	3.6	3.3
26. Bed utilisation rate (based on useable beds)	%	88	90	98	93
27. Expenditure per patient day equivalent	R	716.07	817.83	860	869
Outcome					
28. Case fatality rate for surgery separations	%	1.7	1.7	1.74	No target set
Service volumes					
29. Separations	No	174,978	180,855	188,166	No target set
30. OPD headcounts	No	658,579	654,162	439,865	665,390
31. Day cases (= 1 separation = ½ IPD)	No	17,422	17,602	19,336	No target set
32. Inpatient days	No	600,659	669,107	663,460	672,111
33. Casualty headcount	No	291,405	291,933	314,825	No target set
34. PDEs	No	926,031	993,273	924,692	No target set

Table 12: Tuberculosis hospitals

Indicator	Type	2003/04 Actual	2004/05 Actual	2005/06 Actual	2005/06 Strat Plan Target
Input					
1. Expenditure on hospital staff as percentage of total hospital expenditure	%	79.0	68.8	59.79	76.0
2. Expenditure on drugs for hospital use as percentage of total hospital expenditure	%	9.8	2.9	2.88	11.0
3. Expenditure on hospital maintenance as percentage of total hospital expenditure	%	1.0		0.76	1.5
4. Useable beds		998	998	998	No target set
5. Useable beds per 1000 people	No	0.2	0.2	0.21	0.24
6. Useable beds per 1000 uninsured people	No	0.3	0.3	0.29	0.32
7. Hospital expenditure per person	R	11.70	12.30	14.39	13
8. Hospital expenditure per uninsured person	R	16.25	17.08	19.98	18
Process					
9. Hospitals with operational hospital board	%			80	100
10. Hospitals with appointed (not acting) CEO in place	%	100	100	100	100
11. Hospitals with business plan agreed with provincial health department	%	Not available	100	100	No target set
12. Hospitals with up to date asset register	%				No target set
13. Facility data timeliness rate	%	Not available	Not available	93	90
Output					
14. Separations per 1000 people	Per k	1.0	0.8	0.80	1.0
15. Separations per 1000 uninsured people	Per k	1.3	1.1	1.11	1.4
16. Patient day equivalents per 1000 people	Per k	69	60	60.91	73
17. Patient day equivalents per 1000 uninsured people	Per k	96	83	84.59	101
Quality					
18. Hospitals in facility audit condition 4 or 5	%				No target set
19. Hospitals with a published nationally mandated patient satisfaction survey in last 12 months	%			0	100
20. Hospitals with designated official responsible for coordinating quality management	%				No target set
21. Hospitals with clinical audit (M&M) meetings at least once a month	%			0	100
Efficiency					
22. Average length of stay	No	71.9	72.4	75.5	70.0
23. Bed utilisation rate (based on useable beds)	%	88	77	79	85

Indicator	Type	2003/04 Actual	2004/05 Actual	2005/06 Actual	2005/06 Strat Plan Target
24. Expenditure per patient day equivalent	R	170.00	206.27	236	181
Service volumes					
25. Separations	No	4,443	3,867	3,340	No target set
26. OPD headcounts	No	4,472	4,091	3,784	3,521
27. Day cases (= 1 separation = ½ IPD)	No	96	31	28	No target set
28. Inpatient days	No	319,622	281,034	291,784	352,134
29. Casualty headcount	No	0	0	0	No target set
30. PDEs	No	321,161	282,413	293,059	No target set

Table 13: Psychiatric hospitals

Indicator	Type	2003/04 Actual	2004/05 Actual	2005/06 Actual	2005/06 Strat Plan Target
Input					
1. Expenditure on hospital staff as percentage of total hospital expenditure	%	81.5	79.5	76	80.0
2. Expenditure on drugs for hospital use as percentage of total hospital expenditure	%		2.2	3	No target set
3. Expenditure on hospital maintenance as percentage of total hospital expenditure	%		1	2.4	No target set
4. Useable beds		2,245	2,127	2,096	No target set
5. Useable beds per 1000 people	No	0.47	0.47	0.44	0.46
6. Useable beds per 1000 uninsured people	No	0.65	0.65	0.61	0.63
7. Hospital expenditure per person	R	52	57	56	59
8. Hospital expenditure per uninsured person	R	72	79	78	81
Process					
9. Hospitals with operational hospital board	%	90	100	100	100
10. Hospitals with appointed (not acting) CEO in place	%	86	100	100	100
11. Hospitals with business plan agreed with provincial health department	%	100	100	100	100
12. Hospitals with up to date asset register	%	0	0	0	No target set
13. Facility data timeliness rate	%	Not available	Not available	Not available	100
Output					
14. Separations per 1000 people	Per k	1.2	1.2	1.1	1.3

Indicator	Type	2003/04 Actual	2004/05 Actual	2005/06 Actual	2005/06 Strat Plan Target
15. Separations per 1000 uninsured people	Per k	1.7	1.7	1.5	1.8
16. Patient day equivalents per 1000 people	Per k	145	145	135	143
17. Patient day equivalents per 1000 uninsured people	Per k	198	201	188	196
Quality					
18. Hospitals in facility audit condition 4 or 5	%				No target set
19. Hospitals with a published nationally mandated patient satisfaction survey in last 12 months	%	100	100	100	100
20. Hospitals with designated official responsible for coordinating quality management	%	100	100	100	No target set
21. Hospitals with clinical audit (M&M) meetings at least once a month	%	50	100	100	100
Efficiency					
22. Average length of stay	No	114.7	118	125.1	110.0
23. Bed utilisation rate (based on useable beds)	%	82	83	82.8	85
24. Expenditure per patient day equivalent	R		365	318	414
Service volumes					
25. Separations	No	5,839	5,648	5,145	No target set
26. OPD headcounts	No	29,752	22,121	19,238	19,794
27. Day cases (= 1 separation = ½ IPD)	No	0	0	0	No target set
28. Inpatient days	No	668,741	645,245	643,405	682,550
29. Casualty headcount	No	0	0	0	No target set
30. PDEs	No	678,658	652,693	649,818	No target set

Table 14: Chronic medical hospitals

Indicator	Type	2003/04 Actual	2004/05 Actual	2005/06 Actual	2005/06 Strat Plan Target
Input					
1. Expenditure on hospital staff as percentage of total hospital expenditure	%	81.5	70.9	72.18	80.0
2. Expenditure on drugs for hospital use as percentage of total hospital expenditure	%		1.1	48	No target set
3. Expenditure on hospital maintenance as percentage of total hospital expenditure	%			1.1	No target set

Indicator	Type	2003/04 Actual	2004/05 Actual	2005/06 Actual	2005/06 Strat Plan Target
4. Useable beds		710	752	911	No target set
5. Useable beds per 1000 people	No	0.2	0.1	0.19	0.20
6. Useable beds per 1000 uninsured people	No	0.2	0.2	0.26	0.28
7. Hospital expenditure per person	R	10.56	8.86	21.66	20
8. Hospital expenditure per uninsured person	R	14.67	12.31	30.09	28
Process					
9. Hospitals with operational hospital board	%	90	100	75	100
10. Hospitals with appointed (not acting) CEO in place	%	86	100	90	100
11. Hospitals with business plan agreed with provincial health department	%			50	100
12. Hospitals with up to date asset register	%			12	No target set
13. Facility data timeliness rate	%	Not available	Not available	93	100
Output					
14. Separations per 1000 people	Per k	0.8	1.0	1.05	1.3
15. Separations per 1000 uninsured people	Per k	1.1	1.4	1.45	1.8
16. Patient day equivalents per 1000 people	Per k	50	49	58	60
17. Patient day equivalents per 1000 uninsured	Per k	70	69	80	83
Quality					
18. Hospitals in facility audit condition 4 or 5	%				No target set
19. Hospitals with a published nationally mandated patient satisfaction survey in last 12 months	%	0	36	12	100
20. Hospitals with designated official responsible for coordinating quality management	%			12	No target set
21. Hospitals with clinical audit (M&M) meetings at least once a month	%	50	85	0	100
Efficiency					
22. Average length of stay	No	63.7	57.6	54.6	45.0
23. Bed utilisation rate (based on useable beds)	%	90	85	73	82
24. Expenditure per patient day equivalent	R	209.82	179.44	375	332.86
Service volumes					
25. Separations	No	3,678	4,111	5,059	No target set
26. OPD headcounts	No	1,502	2,944	4,740	2,900
27. Day cases (= 1 separation = ½ IPD)	No	246	218		No target set
28. Inpatient days	No	234,195	233,858	276,144	290,022

Indicator	Type	2003/04 Actual	2004/05 Actual	2005/06 Actual	2005/06 Strat Plan Target
29. Casualty headcount	No	161	111		No target set
30. PDEs	No	234,872	235,002	277,907	No target set

WCRC has a QA manager and have M&M meetings, but not every month.

Comments:

- Number of outpatients (General/Regional hospitals) = 439,865 (Target = 665,390)
 Number of in-patient days (General/Regional hospitals) = 663,460 (Target = 672,111)
 % bed occupancy (Tuberculosis hospitals) = 79% (Target = 85%)
 Number of in-patient days (Tuberculosis hospitals) = 291,784 (Target = 352,134)
 The change for inpatient days of the Regional hospitals does reflect a 1-2% increase from 2005/06. It would seem that the targets set in this regards were over ambitious.
- % bed occupancy (Psychiatric/mental hospitals) = 82.8% (Target = 85%)
 Whilst acute services reached higher than 85% occupancies, specialised services range from 25 to 60%.
 The reason is two-fold: infrastructure that requires upgrade and an inability to utilise all available beds due to professional nurse shortages.
- Number of outpatients (Psychiatric/mental hospitals) = 19,238 (Target = 19,794)
 The target is an estimate based on past numbers, there is less than 3% difference between the two.
- Number of in-patient days (Psychiatric/mental hospitals) = 643,405 (Target = 682,550)
 Due to the lower occupancy in the specialised units as explained above.
- % bed occupancy (Chronic medical hospitals) = 73% (Target = 82%)
 Number of in-patient days (Chronic medical hospitals) = 276,144 (Target = 290,022)
 The change from the previous year is 18% and it would appear as if the targets set in this regard were over ambitious.

PERFORMANCE AGAINST TARGETS FROM 2004/05 STRATEGIC PLAN

Table 15: Dental training hospitals

Sub-programme	Objectives (Outputs)	Indicators	2003/04 Actual ⁵	2004/05 Actual ⁵	2005/06 Actual	2005/06 Strat Plan Target
Dental training hospitals	Optimise student training as agreed to by Committee of Dental Deans	Graduating students	129	98	174	90
	Evaluate service rendering	Number of patient visits	160,000	176,926	181,141	150,000

⁵ Figures estimated for this financial year.

Sub-programme	Objectives (Outputs)	Indicators	2003/04 Actual ⁵	2004/05 Actual ⁵	2005/06 Actual	2005/06 Strat Plan Target
	Reduce time patients spend on waiting lists for dentures	Number of patients on waiting lists for dentures	1,000	1,335 ⁶	3,556	800
	Increase patient revenue	Percentage of accrued accounts received	70%	75%	6%	75%
	Establish revenue generation initiatives	Number of projects implemented	0	2 ⁷	2	2
	Improved efficiency	Theatre stats	1,300	2,119	1,363 ⁸	1,500

⁶ State Health Dental Clinics send all their patients to the Oral Health Centres for dentures.

⁷ Orthodontics project. Denture project aborted because of cost constraints and unemployment.

⁸ State Health Dental Clinics send all their paediatric patients and patients in need of tertiary treatment to the Oral Health Centres for dental treatment under general anaesthesia.

PROGRAMME 5: CENTRAL HOSPITAL SERVICES

AIM

To provide tertiary health services and create a platform for the training of health workers.

ANALYSIS PER SUB-PROGRAMME

Sub-programme 5.1: Central hospital services

Rendering of a highly specialised medical health and quaternary services on a national basis and a platform for the training of health workers and research.⁹

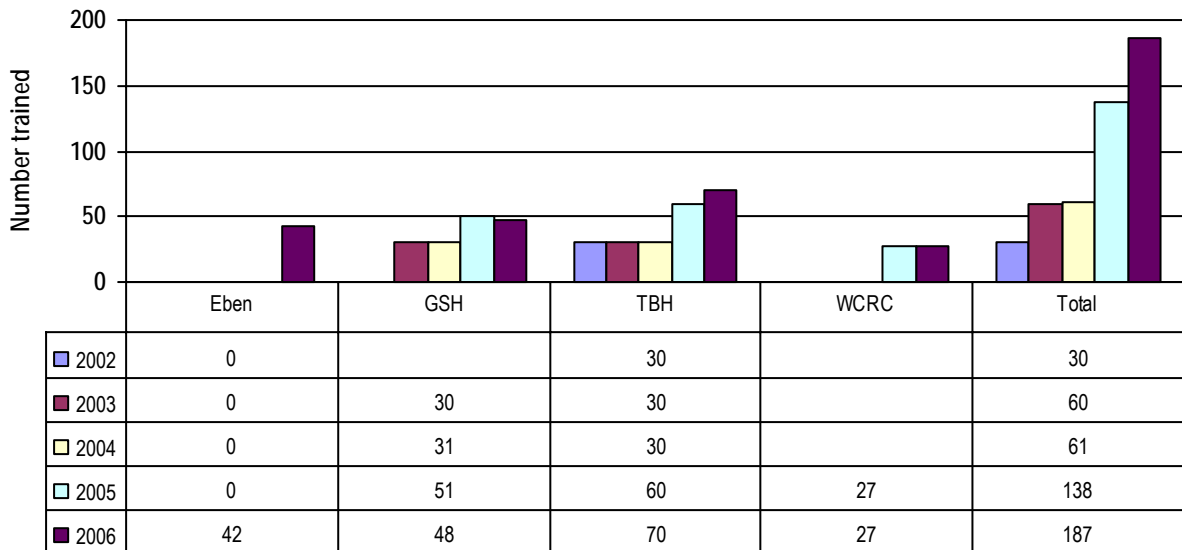
ANALYTICAL REVIEW OF PROGRAMME PERFORMANCE

The strategic focus areas and performance up to December 2005 are summarised below:

- Implementing policy options in:
 - Obstetric and neonatal services: R18m was allocated from Programme 5 across metropole institutions to improve obstetric and neonatal services. A total of 57 beds have been activated for obstetric services, 27 beds for neonatal services, 30 Kangaroo Mother Care beds, as well as a second theatre at Mowbray Hospital. Both Tygerberg Hospital and Groote Schuur Hospital neonatal units remain more than 100% full on a continuous basis. The impact of the HIV epidemic is given as the main cause for this situation.
 - Addressing bottlenecks in the system: The particular focus had been the theatres and the intensive care units. A theatre manager has been appointed at each of Tygerberg and Groote Schuur Hospitals at the level of senior clinical executive. This has made a major difference in managing this critical resource. Nurse mentors have been appointed for ICUs and theatres in the central hospitals. This cadre has brought some stability in these units, which have been particularly hard hit by the attrition of experienced nurses. Mentoring and quality assurance has already provided relief and has boosted the staff morale. Additional theatre slates were opened for certain bottleneck surgery cases such as head and neck cancers, breast cancer surgery, cataract surgery, hip replacements (where the waiting list remains between 4 and 8 years).
 - Bridging training for sub-professional categories: The positions have been filled and it has been possible to double the intake of ENAs who wish to bridge to EN, as well as 40 ENs who wish to bridge to Professional Nurses. The graph below shows the increased outputs in the bridging of ENA to EN (staff nurses).

⁹ Whilst this description clearly refers to tertiary and quaternary care, it is important to note that there are level 2 activities as well. The level 2 services are funded with Equitable Share funding.

R2175: STAFF NURSE



Nurse training capacity in two very scarce skills categories have been re-established after having been closed some time ago: these are the midwifery training, now established at Mowbray Hospital; and psychiatry training at the APPH, established in Stikland. Again, this focused attention to the nursing crisis improved nursing staff morale.

- Major pieces of equipment have been delivered. The earmarked equipment fund for medical equipment was R53,636. The fund was largely allocated into Programme 5, but prioritisation according to priorities was across all services. Of particular importance was the ability to improve cancer radiation therapy for women with breast cancer, endoscopy equipment such as gastroscopes and bronchoscopes, further focus on safe anaesthetic machines and monitors, defibrillators, gamma cameras for nuclear medicine services, and a range of X-ray machines to replace old equipment in our facilities. The number of renal dialysis machines was increased so as to improve on our ability to increase the number of patients that could be accommodated on the programme. A provincial MTEF plan for equipment replacement is being concluded, which will reflect the priorities of all medical equipment and not only for the earmarked equipment fund. A strategic acquisition plan will then be concluded.

Below is a new crib in the neonatal unit at New Somerset Hospital and outpatient department equipment at Victoria Hospital.





- Level 1 beds at TBH: As part of the initiative to reshape the services within our current facilities, 90 level 1 beds for the future Khayelitsha Hospital have been established temporarily in Tygerberg Hospital. The refurbishment took some time and by the end of the financial year 30 most welcome level 1 beds were opened. The remainder of the beds will be opened in the new financial year. The lack of available nurses has been a further obstacle in the opening of the beds.
- Infrastructure planning for TBH: The CSIR conducted a study of options for planning the future building of Tygerberg Hospital, given the maintenance backlog of over R400m. This is now being included in a Business Case for the NDOH to place the hospital on the Hospital Revitalisation Programme by 2007.
- The CEO position for Red Cross Children's Hospital was filled as from 31 December 2005, and both the Director Finance positions in the two central hospitals have been filled.
- A special task team was established to draw up a pro-forma Joint Agreement between the Province and the four Institutes of Higher Education. A meeting between the Vice Chancellors and the MEC demonstrated a willingness for co-operation. Further engagement is required to finalise this process.
- The services plans for metro hospitals and central hospitals were also concluded demonstrating an integrated delivery plan based on estimated admissions by discipline. This was a key input to the Comprehensive Service Plan of the Department.
- Two co-ordinating clinician positions have been filled during the year: child and adolescent health, and psychiatry/mental health. Seamless service delivery at appropriate levels of care and clinical governance will be high on the list of priorities for these co-ordinating clinicians.
- Improvement of quality of care with the creation of full time QA managers at the central hospitals. A survey has been concluded in terms of infection control. This would lay the basis for enhanced focus on Infection Prevention and Control in the Province.
- 60 health managers attended the hospital leadership course provided by the UCT Business School.

The Hospital Services section has also concluded a MTEF Strategic Focus Plan. The vision is to have, within the vision of the Department of Health of equal access to quality care, well-functioning hospitals, with satisfied staff and satisfied patients; well-functioning health system across all levels of care, improved health status, and improved governance.

Well-functioning hospitals

Each of the central hospitals developed a business plan with clear performance targets in service efficiency, service outputs, expenditure, revenue and human resources management. Quality indicators have also been set.

A full business review took place for each of the hospitals for the past year and deviations were discussed. This also informed the business plans for the 2006/07 financial year.

Particular attention is given to staff and patient satisfaction measures and activities.

Well-functioning health system

The system of co-ordinating clinicians has been adopted as an important measure to ensure that the health system for the various disciplines operate smoothly. There are particular challenges in the Metropole Region.

A policy of outreach and support has been set putting an obligation on the more specialised facilities to strengthen the less specialised facilities to delivering the full package of care.

Improved Health status

The main focus the past year was to support the ARV treatment programme. The numbers treated are as follows:

Hospital	Number treated
Groote Schuur Hospital	680
Tygerberg Hospital	1,081
Red Cross Children's Hospital	432

Furthermore, the focus was also on maternal child and women's health with a dedicated leadership focus on the management of the diarrhoeal season (children's health), and on improving the capacity for obstetric and neonatal services (see report on policy option above).

Improved governance

Management training, twinning relationship with the United Kingdom National Health System, clinical governance through the co-ordinating clinicians. The first accredited clinical guidelines were also adopted through the Western Cape Clinical Guidelines Committee.

PROGRAMME PERFORMANCE TO DATE

Table 16: Programme Performance during April 2005 – March 2006 for the Central Hospital Services programme

Objective	2004/05 Annual Report	2005/06 Strat Plan Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2005/06 Annual Report
Central Hospitals: Separations	119,250	No target set	30,687	30,727	30,508	30,727	122,649
Central Hospitals: Bed Days ¹⁰	714,938	714,938	185,255	185,005	182,242	177,756	730,258
Central Hospitals: OPD Headcounts	957,054	1,214,691	260,347	254,370	247,400	266,976	1,029,093

¹⁰ Definition used: ½ Day patients + Inpatient days

SPECIFIC CHALLENGES AND RESPONSES

Table 17: Specific challenges and responses facing the Central Hospital Services programme during April 2005 – March 2006

Challenge	Response
<p>1: Pressure on Intensive Care(ICU) Beds Ability to admit and treat patients with life threatening illnesses is severely restricted. Operations on patients requiring post operative Intensive Care are significantly delayed. Patients requiring Intensive Care are managed at inappropriate levels of care with concomitant medico-legal risks.</p>	<p>A Provincial task team has been established to redraft and implement ICU admission and discharge criteria and treatment. The optimum supply and utilisation of Support staff in ICU's to free Nursing staff to concentrate on nursing duties. Improve and increase High Care facilities. Paediatric Cardiac surgery has been consolidated at Red Cross Children's Hospital. A career pathing for intensive care nursing is being developed.</p>
<p>2: Pressure on Ward Beds for Acute admissions Frequent requests for the diversion of ambulances. Inability to accept patients from referring Secondary hospitals. Inability to admit patients who have been booked for operations leading to repeated cancellation of operations.</p>	<p>Acute admissions policy has been developed. The appointment of Bed managers is well under way to ensure the optimum utilisation of beds and decrease the average length of stay. The development of a discharge plan on the admission of patients is being promoted.</p>
<p>3: The large back-log of patients on waiting lists This results in increased morbidity and mortality and decreased patient satisfaction as reflected by the patient complaints in this area.</p>	<p>Dedicated funding to targeted areas to reduce waiting lists e.g.: Cancer surgery and Radiotherapy, Ear Nose and Throat surgery, Orthopaedic Joint replacement surgery and Cardiac surgery. A study to ascertain the current situation will commence early in the new financial year.</p>
<p>4: Improve Service and Financial Management</p>	<p>Cost Centre Management Implementation. Improve Administrative and Clerical Support. Great Plains cost centre accounting system has been implemented at GSH. Cost centre information also available to managers at TBH. Implementation of ICD10 disease Coding has improved by 5.3%.</p>
<p>5: Restructuring of Services in line with Health Care 2010</p>	<p>The services plan with bed allocation has been concluded. Once approved this would then guide implementation. Several changes were commenced in that direction. E.g. regionalisation of paediatric cardiac surgery. Each of TBH and GSH has implemented 120 and 106 level 2 beds within the facilities. These are being managed as such. This requires some infra-structural and service re-alignment.</p>

ISSUES REQUIRING ONGOING ATTENTION

Table 18: Issues requiring ongoing attention from the Central Hospital Services programme during April 2005 – March 2006

Issue	Action taken
<p>1: Shortage of Nurses Shortage of Professional nurses, in particular those with post basic qualifications in Theatre Technique, Intensive Care, Paediatrics, Mental Health and Advanced Midwifery impacts on all services especially highly specialised services.</p>	<p>Increasing the production through Bursaries, Learnerships and increasing in-house capacity for training. Improving retention strategies through the use of the Scarce skills policy. Improving the working environment. See comment on policy options above.</p>
<p>2: Equipment Back-log The estimated equipment back-log is still in the order of R200m. Much of our Highly expensive pieces of equipment are more than 20 years old. Parts are no longer available, maintenance and repair are expensive and difficult.</p>	<p>Progressive, prioritised replacement of these items. The replacement of two Linear Accelerators for Cancer treatment has been prioritised and procurement commenced. See comments above.</p>
<p>3: Inability to attract staff The programme would not be able to fill more that 300 positions. It remains dependent on agency nurses to a total of 480 per month.</p>	<p>Improved nursing numbers remains a national challenge. A key focus is also to focus on the nursing working environment. New beds and basic nursing equipment have been purchased.</p>
<p>4: Infrastructure Revitalisation Ageing wards and engineering services. Poor working environment impacting on quality of care.</p>	<p>Donor funding secured at Tygerberg and Red Cross Children's Hospitals for infrastructure upgrade. Get TBH registered as a mega project for the HRP. TMM is considering mechanisms to fast track hospital maintenance programme.</p>
<p>5: Lack of skilled staff in Finance to cope with work load Accuracy compromised and risk increased by pressure created by urgency to improve internal control measures.</p>	<p>Training of staff. Retention of trained staff Redeployment of staff for optimal effect.</p>

REPORTING ON STANDARD NATIONAL INDICATORS

Table 19: Central hospital services

Indicator	Type	2003/04 Actual	2004/05 Actual	2005/06 Actual	2005/06 Strat Plan Target
Input					
1. Expenditure on hospital staff as percentage of total hospital expenditure	%	65.0	65	58	65.0
2. Expenditure on drugs for hospital use as percentage of total hospital expenditure	%	6.9	5.7	5.6	5.7
3. Hospital expenditure per uninsured person	R	496	426	577	551
4. Useable beds	No	2,474	2,405	2,472	
Process					
5. Hospitals with operational hospital board	%	100	100	100	100
6. Hospitals with appointed (not acting) CEO in place	%	100	80	55	100
7. Facility data timeliness rate ¹¹	%	Not available	Not available	99	67
Output					
8. Caesarean section rate	%	28.57	35	36	25.0
Quality					
9. Hospitals with a published nationally mandated patient satisfaction survey in last 12 months	%	100	100	100	100
10. Hospitals with clinical audit (M&M) meetings at least once a month	%	100	100	100	100
Efficiency					
11. Average length of stay	No	6.21	6.04	5.6	6.0
12. Bed utilisation rate (based on useable beds)	%	79.9	82.1	81.8	84.0
13. Expenditure per patient day equivalent	R	1,478	1,632	1,795	1,720
Outcome					
14. Case fatality rate for surgery separations	%	3.67	3.0	3.1	3.0
Service volumes					
15. Separations	No	116,093	119,250	122,649	No target set
16. OPD headcounts	No	934,585	957,054	1,029,093	1,125,375
17. Day cases (= 1 separation = ½ IPD)	No	11,043	11,685	11,982	No target set
18. Casualty headcount	No	153,239	145,624	142,315	No target set
19. PDEs	No	1,109,509	1,116,712	1,092,450	No target set

¹¹ New indicator: Definition being clarified.

Comments:

1. Number of beds = 2,472 (Target = 2,447)
Policy Priorities were implemented in keeping with increased service pressures.
2. % bed occupancy = 81.8% (Target = 84% in Strategic Plan and 80% in Budget Statement)
This is above target of 80% and is an indication of pressure on services.
3. Number of outpatients = 1,029,093 (Target = 1,214,691)
This is a positive trend as the Department aims to reduce the number of outpatient visits to Central Hospitals.
4. Number of in-patient days = Not reported (Target = 714,524)
Reported as 730,258 bed days which is inpatient days plus half of the day patients. This indicates increased efficiency.

PROGRAMME 6: HEALTH SCIENCES AND TRAINING

AIM

Rendering of training and development opportunities for actual and potential employees of the Department of Health.

ANALYSIS PER SUB-PROGRAMME

Sub-programme 6.1: Nurse training college

Training of nurses at undergraduate, and post-basic level. Target group includes actual and potential employees.

Sub-programme 6.2: Emergency medical services (EMS) training college

Training of rescue and ambulance personnel. Target group includes actual and potential employees.

Sub-programme 6.3: Bursaries

Provision of bursaries for health science training programmes at undergraduate and postgraduate levels. Target group includes actual and potential employees.

Sub-programme 6.4: Primary health care (PHC) training

Provision of PHC related training for personnel, provided by the regions.

Sub-programme 6.5: Training (other)

Provision of skills development interventions for all occupational categories in the Department. Target group includes actual and potential employees.

ANALYTICAL REVIEW OF PROGRAMME PERFORMANCE

To address historical backlogs and the existing “skills gap” to meet the Human Resource Development (HRD) and transformation needs of the Department, while providing higher portability of skills and wider opportunities for career paths and employability of existing and potential employees, appropriate education, training and development interventions were expanded for example:

- Management Development Training
- Financial Management
- Adult Basic Education (ABET)
- Learnerships
- Bursaries - Additional bursary funding was obtained from the Health and Welfare Sector Education Training Authority (HWSETA) (first of its kind) to supplement Departmental funding of such interventions.
- Introduction of a one year post-registration Midwifery course at the Western Cape College of Nursing (WCCN)
- Introduction of a National Certificate: Emergency Medical Care to replace the AEA short course (Intermediate Life Support level).
- A clinically focused Continuous Professional Development Programme to improve the current standard of care
- A 1-day resuscitation programme to improve the initial resuscitation care of the Basic and Intermediate level Emergency Care Practitioners.

The Department has been a key supporter in contributing towards the advancement of nursing education at various levels; to this end a scoping exercise to assist in the development of a nurse training strategy on Provincial level was conducted. Also, a task team was established in partnership with the local training providers and services, for the prescribed clinical placement of student nurses while funding was secured to address the shortage of mentors for clinical accompaniment.

The Emergency Medical Services (EMS) College initiated a formal Continuous Professional Clinical Development Programmes during the 2005/06 financial year. The Pre-hospital Paediatric Life Support Course for Paramedics was also introduced during this period. This programme is a British registered course to improve the advanced life support care of the paediatric patient in the pre-hospital phase of treatment, thus contributing significantly to an improved standard of care.

Key learnerships implemented in partnership with the HWSETA for nursing and pharmacist assistants for existing employees and unemployed persons (SASO category) were expanded to Diagnostic Radiography for unemployed persons.

An Agency Agreement was signed with the Cape Peninsula of Technology (CPUT) to manage the WCCN on behalf of the Department. This has resulted in renovations to the College, including:

- A Simulation Laboratory to support the prescribed clinical practica
- An upgraded Learning Resource Centre
- Upgraded and enlarged classrooms and two Auditoriums
- Improved audiovisual capacity
- Walk in IT Lab with 90 computers

The agreement between the Department of Health and the CPUT was a milestone in EMS education in the Western Cape. Not only will it provide a steady influx of young qualified personnel into EMS, it will also allow the upgrading of the current workforce to a higher level of EMS education.

The Department through it's Directorate: HRD played a key role, in partnership with other Departments, in the development of an integrated transversal decentralised HRD Information system to strengthen the HRD information system.

To ensure the provision of productive employment opportunities, as well as building mutually beneficial networks and relationships, the Department as part of the Social Sector Cluster identified projects to up skill health workers through the Expanded Public Works Programme.

TABULAR REPORTING ON PERFORMANCE AGAINST PROVINCIAL 2005/06 STRATEGIC PLAN

Table 20: Specification of measureable objectives and performance indicators of the Health Sciences and Training Programme

Sub-programme	Objectives (Outputs)	Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2005/06 Strat Plan Target
Nurse Training College	Nurse Training: R425 Nursing Diploma Programme and B Cur Nursing Science Programme	4-year R425 Diploma / Degree Programme: Number of student nurses on the staff establishment (i.e. Employee Students) of the Western Cape College of Nursing (WCCN) trained per year				
		1 st year	177	0	195	202
		2 nd year	174	172	175	0
		3 rd year	208	163	48	177
		4 th year	196	205	153	174
		Sub-total	755	540	571	553
		Progression of successfully trained nurses based on year 1 to year 4 per financial year Target: 85% graduates per programme	645 (85%)	404 (75%)	113 (79%)	450
	Post basic nurse training: Critical Care: General Critical Care: Trauma Operating Theatre	<u>Post basic nurse training:</u> Number of Professional Nurses admitted to the post-basic nurse-training programme (Employees)				
		Critical Care: General	13	12	19	15
		Critical Care: Trauma	9	11	2	12
Operating Theatre		0	3	10	3	
	Sub-total	22	26	31	30	

Sub-programme	Objectives (Outputs)	Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2005/06 Strat Plan Target	
		Progression of successfully trained Professional Nurses Target: 99% graduates per programme	21	25	29 (94%)	29	
	GRAND TOTAL: Nurse Training		<u>777</u>	<u>566</u>	<u>602</u>	<u>583</u>	
EMS Training College	Monitor and evaluate the EMS training programmes	Number of intake of students per training year					
		BAA	200	24	36	12	
		AEA	75	24	83	24	
		Paramedic	14	12	14	16	
		MBR	16	30	12	24	
		IMR	12	0	0	0	
		Flight Medical	15	0	0	14	
		CPD training	100	262	359	150	
		National Diploma BMC	60	152	123	60	
		Level 3	100	46	0	0	
		Sub-total	592	550	627	300	
		Number of graduates per programme					
		BAA	170	22	29	10	
		AEA	65	21	32	20	
		Paramedic	12	9	11	14	
		MBR	14	28	11	20	
		IMR	10	0	0	0	
Flight Medical	123	0	0	12			
CPD training	85	262	359	150			
National Diploma BMC	0	37	13	50			
Level 3	85	43	0	0			
Sub-total	453	422	455	276			

Sub-programme	Objectives (Outputs)	Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2005/06 Strat Plan Target
Bursaries	Identify nurse training needs based on service delivery priorities for all of nursing: Bridging Nurse Training Basic Nurse Training Post basic / post registration Nurse Training	Number of new bursary students admitted to training (basic and post-basic nursing)				
		Bridging Nurse Training – Mid Level (ENA to EN and EN to RN)				
		ENA	27	0	1	40
		EN	35	24	88	40
		Sub-total	62	24	89	80
		Basic Nurse Training				
		R425 Nursing Diploma	169	0	174	202
		B Cur Nursing Science	188	407	181	300
		Sub-total	357	407	355	502
		Post Basic Nurse Training: (Clinical speciality / non clinical for RN)	118	65	131	42
	Total: New students admitted to nurse training	<u>537</u>	<u>496</u>	<u>575</u>	<u>624</u>	
	Maintenance of existing nursing bursaries:					
	Bridging Nurse Training – Mid Level (ENA to EN and EN to RN) ¹²					
	EN	35	26	35	50	
	Sub-total	35	26	35	50	
	Basic Nurse Training					
	R425 Nursing Diploma	0	164	117	161	
	B Cur Nursing Science	119	263	504	667	
	Sub-total	119	427	621	828	

¹² Initial target was erroneously based on annual promotion. Target adjusted to indicate actual graduate numbers, which occurs on completion of 4th year of study.

Sub-programme	Objectives (Outputs)	Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2005/06 Strat Plan Target
		Post Basic Nurse Training	50	61	23	40
		Sub-total	50	61	23	40
		Total: Maintenance of existing nursing bursaries	204	514	679	918
	GRAND TOTAL: Nursing Bursaries		741	1,010	1,254	1,542
		New bursaries for:				
		<u>Full-time studies:</u>				
		Health Science	115	69	80	96
		Support Services	0	0	0	0
		Sub-total	115	69	80	96
		<u>Part-time studies:</u>				
		Part-time studies	71	0	69	262
		<u>Total number of new students admitted to health science training</u>	<u>186</u>	<u>69</u>	<u>149</u>	<u>358</u>
	Identify training needs based on service delivery priorities for all categories of health science students	Maintenance of existing bursaries:				
		<u>Full-time studies:</u>				
		Health Science	133	227	182	199
		Support Services	2	0	0	0
		Sub-total	135	227	182	199
		<u>Part-time studies:</u>				
		Part-time studies	95	64	48	59
		<u>Total maintenance of existing health science bursaries</u>	<u>230</u>	<u>291</u>	<u>230</u>	<u>258</u>
		<u>TOTAL bursaries for Health Science, excluding Nursing</u>	<u>416</u>	<u>360</u>	<u>379</u>	<u>616</u>
	TOTAL NUMBER OF BURSARIES		1,157	1,370	1,633	2,158

Sub-programme	Objectives (Outputs)	Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2005/06 Strat Plan Target
Primary Health Care Training	Provision of PHC related training interventions for personnel, provided by the regions	Number of training interventions provided to PHC personnel	5,467	3,180	2,206	6,500
Training (Other)	Levy payment to HWSETA	Levy payment to HWSETA	R1,465	R1,873	R1,942	R1,966
	Coordinate the implementation of the Departmental Workplace Skills Plan through the provision of training and development of personnel within the Department	Number of training interventions provided to personnel	15,286	15,897	12,184	15,800
	Ensure appropriate development of human resources to support health service delivery through the development of management and leadership development skills	Number of management and leadership development training opportunities	663	731	1,217	900
	Ensure appropriate development of human resources to support health delivery through the provision of ABET training	Number of ABET learners registered for courses	545	1,189	1,916	1,100
		Number of ABET interventions		1,189	1,916	1,100
	Ensure appropriate development of human resources to support health delivery through the provision of learnerships for personnel	Number of learner ships provided to employed personnel				
		Nursing				
EN to RN		0	20	7	150	
ENA to EN		19	116	50	130	
Post Basic : Critical Care		0	19	8	30	
Post Basic : Operating Theatre		0	11		30	
ENA		0	31	15	10	
Primary Health Care	0					
Sub-total		19	197	80	350	

Sub-programme	Objectives (Outputs)	Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2005/06 Strat Plan Target
		Pharmacist Assistant				
		Basic	0	121	18	80
		Post Basic	0	65	16	70
		Sub-total	0	186	34	150
		<u>TOTAL LEARNERSHIPS: employees 18.1</u>	<u>19</u>	<u>383</u>	<u>114</u>	<u>500</u>
	Contribute to the goals of iKapa Elihlumayo through provision of learnerships for unemployed people	Number of learnerships provided to unemployed persons				
		Nursing				
		ENA to EN	0	2	15	20
		ENA	0	75	50	100
		Sub-total	0	77	65	120
		Pharmacist Assistant				
		Basic	0	27	16	25
		Post Basic	0	0	10	30
		Sub-total	0	27	26	55
		Diagnostic Radiography	0	0	15	0
		<u>TOTAL LEARNERSHIPS: unemployed 18.2</u>	<u>0</u>	<u>104</u>	<u>106</u>	<u>175</u>
	GRAND TOTAL LEARNERSHIPS		19	487	220	675
	Partner Higher Education Institutions to contribute to the growth and development of the Province through the provision of internships	Number of interns placed	21	77	127	50

Comments:

1. Number of training opportunities (Training (Other)) = 12,184 (Target = 15,800)
Staff not released to take up training opportunities due to staff shortages. Course cancellations.

REPORTING ON PERFORMANCE ON HEALTH PROFESSIONS TRAINING AND DEVELOPMENT CONDITIONAL GRANT

Table 21: Health Professionals Training and Development Grant¹³

Indicator	Type	2003/04 Actual	2004/05 Actual	2005/06 Actual	2005/06 Strat Plan Target
Input					
1. Intake of medical students ^{14 15}	No			203	
2. Intake of nurse students ¹⁶	No	365	407		
3. Students with bursaries from the province	No	1,157	1,700	1,525	
Process					
4. Attrition rates in first year of medical school	%			Process still underway	
5. Attrition rates in first year of nursing school	%	10	15	Process still underway	
Output					
6. Basic medical students graduating ¹⁷	No			147	
7. Basic nurse students graduating ¹⁷	No	196	211		
8. Medical registrars graduating ¹⁷	No			12	
9. Advanced nurse students graduating ¹⁷	No	140	146	4	
Efficiency					
10. Average training cost per nursing graduate ¹⁷	R	34,663	37,674		
11. Development component of HPT & D grant spent ¹⁷	%				

REPORTING ON STANDARD NATIONAL INDICATORS

Table 22: Human resource management¹⁸

Indicator	Type	2003/04 Actual	2004/05 Actual	2005/06 Actual	2005/06 Strat Plan Target
Input					
1. Medical officers per 1,000 people	No	0.37	0.37	0.37	
2. Medical officers per 1,000 people in rural districts	No	0.12	0.13	0.13	
3. Nurses per 1,000 people	No	0.84	0.85	0.95	
4. Nurses per 1,000 people in rural districts	No	0.55	0.55	0.60	

¹³ Information requested from institutions of higher education, but incomplete feedback received.

¹⁴ Information compiled from reports received from the Universities of Cape Town and Stellenbosch. No information received from the University of the Western Cape.

¹⁵ US have not provided projections for the 2005/06 year.

¹⁶ New bursaries awarded for full-time bursaries: Health Sciences Training.

¹⁷ New bursaries awarded for part-time training: Support Services.

¹⁸ Information taken from "Annual Performance Plan 2006/07".

Indicator	Type	2003/04 Actual	2004/05 Actual	2005/06 Actual	2005/06 Strat Plan Target
5. Pharmacists per 1,000 people	No	0.05	0.05	0.08	
6. Pharmacists per 1,000 people in rural districts	No	0.04	0.04	0.06	
Process					
7. Vacancy rate for professional nurses	%	19	23	15	
8. Attrition rate for doctors	%	37	42	30	
9. Attrition rate for professional nurses	%	12	15	12	
10. Absenteeism for professional nurses	%	3	4	3	
Output					
11. Doctors recruited against target	%	Not available	Not available	Not available	
12. Pharmacists recruited against target	%	Not available	Not available	Not available	
13. Nurses recruited against target	%	Not available	Not available	Not available	
14. Community service doctors retained	%	Not available	Not available	Not available	
Quality					
15. Hospitals with employee satisfaction survey	%	15	30	45	
Efficiency					
16. Nurse clinical workload (PHC)	Ratio	30.1	35	35	
17. Doctor clinical workload (PHC)	Ratio	50.6	50	50	
Outcome					
18. Surplus staff as a percentage of establishment	%	Not available	Not available	Not available	

PROGRAMME 7: HEALTH CARE SUPPORT SERVICES

AIM

To render support services required by the Department to realise its aims.

ANALYSIS PER SUB-PROGRAMME

Sub-programme 7.1: Laundry services

Rendering a laundry service to hospitals, care and rehabilitation centres and certain local authorities.

Sub-programme 7.2: Engineering services

Rendering a maintenance service to equipment and engineering installations, and minor maintenance to buildings.

Sub-programme 7.3: Forensic services

Rendering specialised forensic and medico-legal services in order to establish the circumstances and causes surrounding unnatural death.

Sub-programme 7.4: Orthotic and prosthetic services

Rendering specialised orthotic and prosthetic services.

Sub-programme 7.5: Medicine trading account

Managing the supply of pharmaceuticals and medical sundries to hospitals, community health centres and local authorities.

ANALYTICAL REVIEW OF PROGRAMME PERFORMANCE

Major projects undertaken or completed during the year

- The establishment of a Chronic Dispensing Unit.
- The implementation of the transfer of Mortuaries from the South African Police Service to the Department of Health.
- The implementation of the medicines and pharmacy legislation.
- The creation of a detoxification unit at Stikland Hospital.
- The successful operation of standby power plant during the extended and erratic Eskom power failures.
- The creation of a step-down ward at Lentegeur Hospital.
- Refurbishing the Forensic Ward at Valkenberg Hospital.
- The upgrading of accommodation for the Mental Review Board at Lentegeur Hospital.
- Renovations and improvements at Booth Hospital.
- Creation of a casualty unit at Robertson Hospital.
- Creation of an OPD at Hermanus Hospital.

Laundry Services

Laundry services have successfully supplied the hospitals with a reliable supply of clean disinfected linen. The cost of in-house laundry services has increased from R1.60 per piece in 1997 to R1.75 per piece in 2006. This is well below inflation and is the result of increased productivity and no major equipment replacement costs. The cost will increase in the next year when a new continuous batch washing machine is purchased at an estimated cost of R6.5 million. In the same period, outsourced laundry services costs rose from 80 cents per piece to R1.35 per piece. In view of the fact that the in-house cost excludes the capital cost of infrastructure, the outsourced service is considerably cheaper.

Engineering Services

The budgetary pressure at individual institutions has once again resulted in a greater reliance on the central workshops at Karl Bremer, Vrijzee and Zwaanswyk.

The problems experienced with the introduction of Logis last year have been solved and productivity has increased.

Recruiting and retaining qualified and experienced technical personnel is an on-going problem. The recruitment and retention of Clinical Engineering Technicians remains a problem in spite of their being declared a scarce skill group and their salary packages improved.

The maintenance workload in respect of ageing equipment is slowly being alleviated through the purchase of new equipment. In 2005/06 financial year R133 million was spent on medical and allied equipment.

The reported number of jobs completed has declined. This is not an indication of lower output. During 2005/06 a few large projects were undertaken as opposed to numerous small repairs. In addition to this engineering personnel paid more visits to hospitals to do preventative maintenance and in so doing reduced the number of items of equipment sent to the workshops for repair.

Forensic Services

The Forensic Pathology Service (FPS) aims to render a standardised, objective, impartial and scientifically accurate service (following nationally uniform protocols and procedures) for the medico-legal investigation of death that serves the judicial process in the Western Cape. High turnover of medical specialists due to scarcity of senior posts and high stress levels associated with the performing of approximately 5,290 medico-legal autopsies per annum in the Metro Region continue to impact on the ability of the Department to deliver on this.

During this financial year the Department has been planning for the transfer of forensic mortuaries from the South African Police Service to Health. Budget Council approval was granted during August 2005 and transfer of the service will be effected from 1 April 2006.

The Provincial Department of Health has identified the need for improvement of the Forensic Pathology Services Support in the rural regions. This is being implemented as funding becomes available with the creation of permanent Specialist Forensic Pathology capacity in the non-metro areas.

Orthotic and Prosthetic Services

The inability to recruit and retain qualified personnel remains a major problem. The decline in the items manufactured and the increase in the waiting list are the results of the personnel shortage. The service in the Southern Cape is outsourced and in the Metropole the outsourcing of selected appliances and component manufacture is taking place to increase output.

Medpas Trading Account

The budget requirement in respect of the operational expenditure of the Cape Medical Depot is recovered from hospitals and institutions by means of a levy charged for goods supplied. The budget of the Cape Medical Depot is included in the approved budget statement of the Department. The budget allocation for administrative expenditure amounted to R25,800 million for the 2005/06 financial year. The administrative budget comprises compensation of employees, goods and services, and payments for capital assets.

The budget allocation for the 2005/06 financial year to purchase goods for resale amounted to R293,030 million. The actual purchases (receipts posted on the Medical Stores Administration System (MEDSAS)) for the year amounted to R291,084 million against actual issues (sales) for the year amounting to R311,848 million. Revenue amounting to R20,765 million was therefore available to fund operating expenditures.

The cumulative capital and reserves available to the depot as at 31 March 2006 for the purchase of stock amounted to R40,938 million. This amount remains static until Treasury is requested to grant an increase in the approved capital via normal budgeting processes. During the year under review the Depot's Trading Capital was augmented by R7,316 million.

TABULAR REPORTING ON PERFORMANCE AGAINST PROVINCIAL 2005/06 STRATEGIC PLAN

Table 23: Performance against targets from 2005/06 strategic plan for the Health Care Support Services Programme

Sub-programme	Objectives (Outputs)	Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2005/06 Strat Plan Target
Laundry services	Provide laundry services to all provincial hospitals	Number of pieces laundered	21m	18m	20,7m	23m
		Number of pieces laundered: in-house laundries	17m	14m	14,7m	17,5
		Number of pieces laundered: out-sourced services	5m	4m	3,5m	5,5
	Provide cost effective in-house laundry service	Average in-house cost per item	R1.68	R1.81	1,75	R1,74
	Provide cost effective out-sourced laundry service	Average out-sourced cost per item	R1.15	R1.30	1,35	R1,48
Engineering services	Effective maintenance of buildings and engineering installations	Maintenance backlog as % of replacement value	9%	8%	8%	8%
	Efficient engineering installations	Cost of utilities per bed	R3,600	R5,560	R6,500	R4,200

Sub-programme	Objectives (Outputs)	Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2005/06 Strat Plan Target
	Cost effective maintenance of medical equipment	Number of jobs completed – in-house/outsourced	11,200	10,507	9,463	12,800
Forensic services	Render a forensic pathology service to the Metropole Region in accordance with prevailing statutory requirements	Number of post mortem examinations	6,500	5,016	5,290	5,600
	Render a cost effective forensic service in the Metropole	Average cost per examination	R1,150	R1,284	R1,404	R1,390
Orthotic and prosthetic services	Render an Orthotic and Prosthetic service for the Province	Number of devices manufactured	5,884	4,109	4,616	5,000
	Provide quality Orthotic and Prosthetic devices	% of devices requiring remanufacture	3%	3%	2%	3%
	Provide a responsive Orthotic and Prosthetic service	Number of patients on waiting list waiting over 6 months	600	705	527	800
MEDPAS trading account	Ensure availability of essential drugs	No of items on dues out	60	<60	<60	60
	Efficient utilisation of working capital	Stock turnover	9	9	7,5	9
	Adequate working capital to support adequate stockholding	Stock turnover	R46m	R50m	R51m	R53m
	Sufficient stock available at end-user level	Service level	>85%	>85%	81%	>85%

Comments:

1. Number of pieces laundered in-house = 20,7m (Target = 23m)
Application of linen usage protocols reduced volume to be laundered.
2. Average in-house cost per item = R1,75 (Target = R1,74)
Actual acceptably close to target.
3. Average outsourced cost per item = R1,35 (Target = R1,48)
Tenders for out-sourced services were more competitive than expected.

4. Cost of utilities per bed = R6,500 (Target = R4,200)
Previous years costs were under-reported due to difficulty in obtaining correct information from institutions.
Cost now also includes medical gas.
5. Number of jobs completed - in-house/outsourced = 9,463 (Target = 12,800)
Greater focus on preventative maintenance has reduced volume of repair work.
6. Number of post-mortem examinations = 5,290 (Target = 5,600)
The responsibility for Medico-legal laboratories resided with SAPS, transferred to the DoH on 1 April 2006.
7. Average cost per examination = R1,404 (Target = R1,390)
The responsibility for Medico-legal laboratories resided with SAPS, transferred to the DoH on 1 April 2006.
8. Number of devices manufactured = 4,317 (Target = 5,000)
Decrease is related to difficulty in recruiting experienced personnel.
9. Number of patients on waiting list waiting over 6 months = 1,280 (Target = 800)
Increase is result of difficulty in recruiting experience personnel.

PROGRAMME 8: HEALTH FACILITIES MANAGEMENT

AIM

To provide for new health facilities, upgrading and maintenance of existing facilities, including the hospital revitalisation and provincial infrastructure grants.

ANALYSIS PER SUB-PROGRAMME

Sub-programme 8.1: Community health facilities

Sub-programme 8.2: Emergency medical rescue

Sub-programme 8.3: District hospital services

Sub-programme 8.4: Provincial hospital services

Sub-programme 8.5: Central hospital services

Sub-programme 8.6: Other facilities

To provide for new health facilities, upgrading and maintenance of existing facilities, including the hospital revitalisation and provincial infrastructure grants.

ANALYTICAL REVIEW OF PROGRAMME PERFORMANCE

Major projects undertaken or completed during the year

- The new Oncology building at the Red Cross Children's Hospital was commissioned.
- A new ultra modern neo-natal ICU was commissioned at Mowbray Maternity Hospital.
- A new central Disaster Management Centre was constructed and commissioned on the grounds of Tygerberg Hospital.
- Major renovations and additions were completed at Beaufort West Hospital.
- The construction of a new CHC at Brown's Farm is almost complete.
- New stores and a workshop were constructed at Eerste River Hospital.
- Substantial renovations and upgrading were completed at GF Jooste Hospital.
- Renovation work at the Western Cape College of Nursing was completed.
- The major renovation and upgrading of the wards at the Red Cross Children's Hospital is in progress.
- The new Admissions building at Valkenberg Hospital will be officially opened in May 2006.
- Construction of a new CHC in Swellendam is in progress.

Community health facilities

The construction of new CHC's is funded from equitable share capital. The planning and design of new CHC's for Montagu, Stanford, Wellington and Simondium is in progress and construction is scheduled to commence in the 2006/07 financial year.

Emergency medical rescue

The construction of new ambulance stations is funded from the Provincial Infrastructure Grant (PIG). The planning and design of new ambulance stations for Hermanus, Atlantis, Beaufort West, Caledon, Riversdale and Lentegeur is in progress and construction is scheduled to commence in the 2006/07 financial year.

District hospital services

The construction of new district hospitals is funded from the Hospital Revitalisation Grant. The less comprehensive interim improvement of existing district hospitals is funded from the Provincial Infrastructure Grant (PIG). The revitalisation of Vredenburg Hospital is in progress. The planning and design of new district hospitals in Khayelitsha and Mitchells Plain is in progress. These are approved Hospital Revitalisation projects. The planning and design of improvements to Caledon, Vredendal, Mossel Bay and Riversdale Hospitals is in progress and construction is scheduled to commence in the 2006/07 financial year.

Provincial hospital services

The revitalisation of George, Worcester and Paarl Hospitals is in progress. These are approved Hospital Revitalisation projects. The revitalised George Hospital is scheduled to be opened in June 2006. Valkenberg Hospital has been approved as a Hospital Revitalisation project and preliminary planning is in progress.

Central hospital services

The CSIR has completed a report on the physical condition and suitability of Tygerberg Hospital. The findings have been used to compile a business case for Tygerberg to become a Hospital Revitalisation project.

The reconstruction of the Red Cross Children's Hospital is progressing well. Significant donor funding has been obtained and this has been supplemented by funding from the Provincial Infrastructure Grant.

TABULAR REPORTING ON PERFORMANCE AGAINST PROVINCIAL 2005/06 STRATEGIC PLAN

Table 24: Specification of measurable objectives and performance indicators of the Health Facilities Management Programme

Sub-programme	Objectives (Outputs)	Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2005/06 Strat Plan Target
Community health centres	Improve quality of care	% of facilities with piped water	100%	100%	100%	100%
		% of facilities with mains electricity	100%	100%	100%	100%
		% of facilities with access to a fixed line telephone	100%	100%	100%	100%
Emergency medical services	Improve ambulance stations	% of ambulance stations built for purpose	47%	47%	47%	47%
District hospital service	Provide district hospitals physical infrastructure that is fit for purpose	Total infrastructure expenditure as a % of backlog	Not reported	Not reported	2.2%	13.7%

Sub-programme	Objectives (Outputs)	Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2005/06 Strat Plan Target
Provincial hospital service	Provide provincial hospitals physical infrastructure that is fit for purpose	Total infrastructure expenditure as a % of backlog	Not reported	Not reported	10.3%	16%
Central hospital service	Provide central hospitals physical infrastructure that is fit for purpose	Total infrastructure expenditure as a % of backlog	Not reported	Not reported	2.6%	1.4%

PERFORMANCE ON HOSPITAL REVITALISATION GRANT

Table 25: Status of revitalisation hospitals

Hospital	Status
George	Construction 99% complete.
Worcester	Construction 60% complete.
Vredenburg	Phase 1 is 95% complete. Phase 2 design in progress.
Paarl	Tender awarded.
Khayelitsha	Preliminary design work in progress.
Mitchells Plain	Business case approved.
Valkenberg	Business case approved.
Tygerberg	Business case submitted.
Hottentots Holland	Business case submitted.
Victoria	Business case submitted.
Mossel Bay	Business case submitted.
Robertson	Business case submitted.

REPORTING ON STANDARD NATIONAL INDICATORS

Accuracy of information

Where possible, audited or verified information has been used to calculate the values in the tables in this section. However, in many instances the calculations are based on estimates based on experience or trends. Further this programme was transferred from the Department of Transport and Public Works after a decision taken late in 2004.

Table 26: Performance indicators for Health Facilities Management

Indicator	Type	2004/05	2005/06	2006/07	2007/08	2008/09	National target 2008/09
Input							
1. Equitable share capital programme as percentage of total health expenditure	%	0.92	0.36	0.36	0.33	0.31	2.5

Indicator	Type	2004/05	2005/06	2006/07	2007/08	2008/09	National target 2008/09
2. Hospitals funded on revitalisation programme	%	5	5	5	6	7	25
3. Expenditure on facility (building) maintenance as percentage of total health expenditure	%	1.37	0.98	1.4	1.53	1.55	4
4. Expenditure on equipment maintenance as percentage of total health expenditure	%	1.18	1.18	1.18	1.18	1.18	4
Process							
5. Hospitals with up to date asset register	%	Not reported	55	88	100	100	100
6. Districts with up to date PHC asset register (excluding hospitals)	No	Not reported	No target set	No target set	No target set	No target set	100%
Quality							
7. PHC facilities with access to basic infrastructural services:							
(a) Piped water	%	Not reported	100	100	100	100	100
(b) Mains electricity	%	Not reported	100	100	100	100	100
(c) Fixed line telephone	%	Not reported	100	100	100	100	100
8. Average backlog of service platform by programme 2:							
(a) PHC facilities	%	270,000,000	38	35	30	25	15
(b) District hospitals	%	Not reported	50	50	45	40	15
(c) Regional hospitals	%	Not reported	44	40	35	30	15
(d) Psychiatric, TB, Chronic and other specialised hospitals	%	Not reported	10	10	8	6	15
(e) Provincial tertiary and national tertiary hospitals	%	Not reported	50	50	50	45	15
(f) Provincially aided hospitals	%	Not reported	50	50	45	40	15
Efficiency							
9. Projects completed on time	%	Not reported	0	50	100	100	
10. Projects over budget	%	Not reported	100	50	0	0	

Indicator	Type	2004/05	2005/06	2006/07	2007/08	2008/09	National target 2008/09
Outcome							
11. Level 1 beds per 1,000 uninsured population	No	0.45	0.45	0.75	0.75	0.75	0.9
12. Level 2 beds per 1,000 uninsured population	No	0.55	0.55	0.61	0.60	0.60	0.9
13. Population within 5km of fixed PHC facility	%	93	94	94	95	95	95

PART 3: REPORT OF THE WESTERN CAPE PROVINCIAL GOVERNMENT AUDIT COMMITTEE ON THE DEPARTMENT OF HEALTH (VOTE 6) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2006

1. Introduction

We are pleased to present our report for the above-mentioned financial year ended 31 March 2006.

2. Audit Committee Members and Attendance

2.1 The Audit Committee consists of the members listed hereunder and is required to meet a minimum of four (4) times per annum as per its approved Terms of Reference. During the current year seven (7) meetings were held.

2.2 Members for the year	No. of meetings attended
Dr T Sutcliffe (Chairperson)	7
Mr T Pasiwe	7
Mr J Levendal	5
Mr K Ravens	6
Mr M Tshume (Resigned)	January 2006

3. Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) of the Public Finance Management Act, 1999 (Act 1 of 1999) and Treasury Regulation 3.1.13 as required.

The Audit Committee also reports that it has adopted appropriate, formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this Charter and has discharged all its responsibilities as contained therein.

4. Effectiveness of Internal Control

The system of internal control was not entirely effective for the year under review as compliance with prescribed policies and procedures were lacking in certain instances. During the year under review several instances of non-compliance were reported by the Internal Audit Unit.

The Internal Auditors have also highlighted several critical control weaknesses that are in the process of being rectified.

5. The quality of in year management and monthly / quarterly reports submitted in terms of the PFMA and the Division of Revenue Act

In the absence of receiving the in-year management and monthly / quarterly reports (IYMs) from the Department, the Audit Committee was unable to comment on them during the year under review. At its final meeting with the Department on 10 August 2006, the CFO provided the Audit Committee with a specimen IYM report for June 2006. There is now understanding on the part of the Department as to what is required by the Audit Committee in regard to this aspect of Treasury Regulation 3.1.13 and an undertaking was made by the Department to provide these reports on a regular monthly basis.

6. Evaluation of Financial Statements and the Auditor General's management letter

- 6.1 The Audit Committee notes that the accounting policies used by the Department in preparation of the Annual Financial Statements accord with the policy guidelines determined by National Treasury.
- 6.2 The Audit Committee has reviewed the Auditor General's report and has discussed the audited financial statements to be included in the Annual Report with the Auditor General, Accounting Officer, Chief Financial Officer and senior Departmental representatives.
- 6.3 The Audit Committee concurs and accepts the conclusions of the Auditor General on the financial statements and financial statements be accepted and be read together with the Auditor General's Report.
- 6.4 However, the Audit Committee wishes to draw the attention of the Accounting Officer to the following:
 - 6.4.1 The Audit Committee agrees with the Department that the standard of management now required by government departments, and particularly the standard of compliance required, has increased considerably and, as a consequence, existing resources are often not adequate to meet new demands for diligence and reporting. It is the view of the Committee that additional administrative personnel and additional training, especially of people in higher level posts, will be needed to address these requirements in the future.
 - 6.4.2 The Audit Committee notes the over-expenditure on programme 5 of the Vote and commends the Department on its overall financial performance, both in respect of expenditure and revenue.
 - 6.4.3 The Audit Committee notes that commuted overtime remains a problem for the Department and it continues to consider the system extremely difficult to manage and inappropriate. The committee appreciates that the system of commuted overtime is national policy, but nevertheless advises that attempts be made to motivate the National Departments of Health and Public Service and Administration to investigate other alternatives to remunerate medical staff equitably.
 - 6.4.4 The Audit Committee noted with concern the marked increase in normal overtime and endorses the Department's observation that this matter relates in the main to an acute shortage of staff, particularly nursing staff, and that it represents a risk for increasing litigation as a result of the likelihood of escalating malpractice suits. There are many reasons for the staff shortages, but poor salaries and working conditions are high on the list in the opinion of the Committee. Both these factors represent significant detractors to recruitment. The Audit Committee appreciates that the determination of salary scales is a national competence, but nevertheless advocates that attempts be made to motivate the National Departments of Health and Public Service and Administration to review salary scales of key health personnel, including nurses, PAMS, pharmacists and EMS personnel.
 - 6.4.5 In respect of control over pay sheets, the Audit Committee sees no reason why this situation should not be addressed and that, as is, the lack of control over pay sheets represents a significant risk to the Department. In so far as the late capturing of leave is concerned, PERSAL is now more flexible and a host of exception reports can be drawn. The Audit Committee urges the Department to make use of these.
 - 6.4.6 The Audit Committee noted the Auditor General's concern regarding the lack of a Departmental Human Resource Plan, but is of the view that such a plan exists as an inherent component of the 2010 Plan. In addition, a national HR Plan for Health has been compiled and it advises the Department that it be read together with the 2010 Plan, in order to ensure that the latter is compliant with the former.
 - 6.4.7 In so far as the Auditor General's concern regarding Procurement is concerned, the Audit Committee stresses the importance of providing adequate training to staff involved in Supply Chain Management. The Committee is reassured that the Department will address the Auditor General's concerns regarding the procurement of goods from unapproved providers.

- 6.4.8 In respect of the Auditor General's many concerns regarding the Provincial Infrastructure and Hospital Revitalisation Grant the Audit Committee noted the Department's argument that the scope and scale of capital projects has increased significantly over the past few years and strongly supports the Department's intention to increase its capacity to manage all aspects of capital projects.
- 6.4.9 In respect of the Auditor General's concerns regarding Risk Management, the Audit Committee refers the reader to comments it made in paragraph 4.7 of its report for the year ended 31 March 2004 wherein it recommends that risk management and control becomes a regular item on the agenda of Top Management Committee meetings. The Committee were advised that a Risk management unit will be established within the Department in due course, but that the overall control of Risk Management policy will remain a competence of the Provincial Treasury. The Committee is of the view that there is still not enough clarity around the roles of Internal Control, Internal Audit, Risk Management and the role of the Audit Committee itself and strongly recommends that this matter, which is currently being addressed by Provincial Treasury, be brought to rapid finalisation.
- 6.4.10 The Audit Committee was satisfied with the forensic audit report presented on the scope, nature, outcome and loss recovery of the audits conducted in the Department of Health during the period under review.

Conclusion

This report serves as the final annual report of the Audit Committee for the year ended 31 March 2006. The Committee wishes to express its appreciation to the Department for its continuing assistance as well as to the Provincial Treasury.



DR SUTCLIFFE
CHAIRPERSON OF THE WESTERN CAPE
HEALTH DEPARTMENT AUDIT COMMITTEE

DATE: 16 August 2006

PART 4: ANNUAL FINANCIAL STATEMENTS

CONTENTS	PAGE
Department of Health	
Management report	81 – 97
Report of the Auditor-General	98 – 108
Statement of accounting policies and related matters	109 – 116
Appropriation statement	117 – 126
Notes to the Appropriation Statement	127 – 128
Statement of Financial Performance	129
Statement of Financial Position	130
Statement of Changes in Net Assets	131
Cash Flow Statement	132
Notes to the Annual Financial Statements	133 – 143
Disclosure Notes to the Annual Financial Statements	144 – 149
Annexures to the Annual Financial Statements	150 – 165
Cape Medical Depot	
Report of the Accounting Officer	166 – 168
Report of the Auditor-General on the Financial Statements of the Cape Medical Depot	169 – 171
Statement of accounting policies and related matters	172 – 174
Income Statement	175
Balance Sheet	176
Statement of Changes in Equity	177
Cash Flow Statement	178
Notes to the Annual Financial Statements	179 - 187

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

Report by the Accounting Officer to the Executive Authority and Provincial Legislature of the Republic of South Africa

1. General review of the state of financial affairs

• Important policy decisions and strategic issues facing the Department

The imperatives that provide the overarching framework for the Provincial Department of Health are the Millennium Development Goals and the National Department of Health's five-year priorities (2004-2009).

The National Health Act, 2003 (Act 61 of 2003) came into effect on 2 May 2005 with the exception of some sections, i.e. Chapter 6 (Health establishments and issues relating to the certificate of need) and Chapter 8 (control of the use of blood, blood products, tissue and gametes in humans). However, the regulations which must be developed to support the Act have not yet been finalized by the National Department of Health. In terms of this Act new governance structures such as the Provincial Health Council, District Health Councils and a consultative forum must be established. The MEC for Health convened the first meeting of the Provincial Health Council on 21 October 2005. The newly appointed Provincial Health Council has held two meetings so far, i.e. on 21 October 2005 and 29 November 2005.

As a result of the provisions of the Health Act (of 2003), read together with the provisions of the Municipal Finance Management Act (56 of 2003) and the Municipal Structures Act (117 of 1998 as amended), the Department of Health assumed responsibility for the provision of personal primary health care (PPHC) in the non-metropolitan areas from the municipalities which had previously been responsible for the provision of these services, as of 1 March 2005. The status quo for funding PPHC in the Cape Town Metro district will continue for the next two years, with funding to provincialise this function provisionally allocated in the outer year of the MTEF period.

In terms of section 27(2) of the National Health Act (2003) the provincial departments of health will be responsible for the management of the entire Forensic Pathology Service, excluding Forensic Laboratories which is a national responsibility. The transfer of the 'Medico-legal Mortuaries' from the South African Police Services (SAPS) to Health has taken effect from 1 April 2006. The Department of Health, Provincial Government Western Cape will establish a new Forensic Pathology Service (FPS) in the province.

The Department successfully established a Mental Review Board as required in terms of the Mental Health Care Act, 17 of 2002.

The relationship between Institutes of Higher Education and the Department of Health is governed by outdated Joint Agreements. A concerted effort, led by the Premier and the Vice Chancellors during 2005 paved the way for negotiations on the new multi-lateral and bilateral agreements that will replace current agreements. It is anticipated that a multi-lateral agreement between the government and Institutions of Higher Education could be signed during 2006/07 that will result in revised bilateral Joint Agreements.

From 1 April 2005 the functions of Emergency Medical Services and Planned Patient Transport were separated and managed separately.

Quality of care initiatives include establishing dedicated quality assurance capacity at the respective institutions, establishing a provincial structure for Infection Prevention and Control in collaboration with the Quality Assurance Unit, developing uniform operational policies regarding infection prevention and control, as well as conducting regular patient and staff satisfaction surveys.

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

In terms of iKapa elihlumayo, the Provincial growth and development strategy, the Department of Health is designated as a support department in the two lead strategies, i.e. the Strategic Infrastructure Plan and Social Capital Formation. The Department considers that the provision of an effective Primary Health Care function makes a significant contribution to social capital formation, the following have been identified as specific social capital formation functions:

- The integrated management of childhood illnesses (IMCI) with specific focus on immunization; and reducing the morbidity and mortality caused by diarrhoea,
- The management of chronic diseases to ensure the continuity of care. The Faculties of Health Sciences of the Universities of Cape Town, Stellenbosch and the Western Cape have been requested to assist the Department in the formulation of a strategy for the reduction of the burden of disease.

At a provincial level the key issue is the development of the Service Plan which is the mechanism for the implementation of Healthcare 2010. The formulation of this plan has taken longer than anticipated but the groundbreaking work and the rigor of the plan have made this time well spent. The plan is now at the stage where it will be consulted with external stakeholders.

- **Significant events that have taken place during the year**

The contract of the Head of Department, Professor KC Househam, was extended for a period of three years.

Dr Fareed Abdullah, Deputy Director-General of the Division: District Health Services and Health Programmes left the Department in January 2006 to take up a position as Director for Technical Support of the International HIV/AIDS Alliance which is based in Brighton, England.

Laura Bush, the first lady of the United States of America visited the Khayelitsha Midwife Obstetric Unit in July 2005, to highlight the services provided at such a facility.

On 19 August 2005 the Mayor of Seville, Tygerberg Children's Hospital and the Bishop Tutu Foundation entered into an agreement whereby Tygerberg Hospital will receive a percentage of Seville's tax revenue for the next three years. These funds will be used for the purchase of much needed equipment.

Due to the pressure on the accommodation in the Tower Block additional office accommodation had to be identified which resulted in the relocation of the management of the Division: District Health Services and Health Programmes to the Southern Life Building.

As from 1 April 2005 the funding for Programme 8: Health Facilities Management was transferred to the Department of Health from the Department of Transport and Public Works where it previously resorted. The Public Works functions remained with the Department of Transport and Public Works.

- **Major projects undertaken or completed during the year**

In response to the HIV and AIDS epidemic the province has started implementing the Comprehensive HIV and AIDS Care, Management and Treatment plan adopted by the National Cabinet in 2003. The Department is committed to integrating the HIV and AIDS programme into the general health services in such a way that the additional resources strengthen the general health system, rather than creating a vertical HIV and AIDS service delivery model.

A key challenge to the Department is dealing with the growing TB epidemic in the light of the increasing rate of co-infection of TB and HIV. Currently approximately 30% of TB patients in the Western Cape are co-infected with HIV resulting in high morbidity and mortality rates in this group.

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

To improve access to quality-assured TB microscopy, the Department contracts the services of the National Health Laboratory Services for all TB diagnostic services. There are seven laboratories that provide TB laboratory services in the province and the Green Point Laboratory is the largest accredited TB laboratory in the southern hemisphere and performs approximately 473,000 TB direct microscopic examinations and culture per annum. Seventy per cent of specimens in the Province achieve a turnaround time of 48 hours or less.

Rapid expansion and improvement of community-based services has been undertaken through the implementation of a new integrated model for home-based and step-down care, including hospice, and an improved management model of NGO partners. This service has been funded mainly from the European Union for home-based care and from the Global Fund for step-down care.

It is planned that community based services should be delivered via two main streams to meet different needs, e.g.

- Services for patients who have been de-hospitalised from acute/sub-acute or chronic care but who still need some clinical care; and
- Preventive and promotive health services which are delivered as part of the Social Capital Formation strategy and health interventions.

Social Capital Formation:

- With respect to child health the Department has developed a diarrhoeal disease intervention campaign and will embark on an in-depth intervention to increase the immunization coverage. The diarrhoeal disease intervention campaign from February to May each year includes support at community level for the early identification of danger signs in children for immediate referral to a health worker, the use of sugar/ salt solutions and hand washing programmes in Khayelitsha, Mitchell's Plain, Delft, Kraaifontein and Gugulethu. All primary health care facilities will have oral rehydration corners and extra paediatric bed capacity is available at Red Cross Children's Hospital, Tygerberg, Lenteguur and Somerset Hospitals.

The Health Promoting Schools Programme includes the following initiatives:

- Deworming projects in primary schools in selected geographic areas across the Metro;
- A home visitation programme aimed at equipping care givers with basic skills on child rearing and safety; and
- A youth risk survey will be done in Mitchell's Plain.

During December 2004 an independent external review of the Western Cape Emergency Medical Services was performed by an independent consultant (Barry Johns) from the West Midlands Emergency Ambulance Service in the United Kingdom to quantify and qualify the gap between current performance and national requirements. The report did not quantify the staffing and fleet needs, which were subsequently derived by a modeling process. The Barry Johns report acknowledged that efficiency gains will result in limited improvements to the response times of ambulances and that a significant investment in additional resources is required to bring the response times within acceptable levels. Recommendations of the review have been accepted and implementation has commenced. During 2005/06 an additional R50,8 million was allocated to fund additional personnel, vehicles and equipment in order to improve response times and service delivery with an emphasis on the Metropolitan Area. In addition calls have been prioritized as P1, P2 and P3 and attention has been focused on improving the response times for priority one calls as well as workshops and

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

training initiatives that have begun to motivate and improve management capacity within Emergency Medical Services (EMS).

In a joint initiative with the provincial departments of Local Government and Housing and Community Safety, the Emergency Medical Services established Disaster Management and Emergency Medical Services Communication Centres in Bredasdorp, Worcester, Beaufort West, George, Morreesburg and Cape Town. The Bredasdorp and Beaufort West Centres became operational in June and August 2005, respectively. The Cape Town Centre was officially opened on 15 December 2005 and the George Centre became operational in March 2006. It is anticipated that the Worcester and Morreesburg Centres will be brought online early in the new financial year.

During 2005/06 an amount of R2,23 million was allocated to facilitate the provincialisation of the SANTA and Local Government TB hospitals. The Harry Comay Centre in George was provincialised from 1 July 2005 and DP Marais Hospital in Retreat, the Sonstraal Hospital in Paarl and the Infectious Diseases Hospital in Malmesbury will be provincialised during 2006. The facilities and services in these hospitals will be upgraded to improve their capacity to care for more acutely ill patients.

A system of co-ordinating clinicians has been established to address the issues that arise from the fragmentation of the health system. The initiative which was implemented during 2005 has streamlined service, enhanced clinical governance and facilitated both the treatment of patients at the level of care appropriate to their needs and the clinical outcomes. The positive effects have been felt in Paediatrics and Child Health, and Obstetrics where the co-ordinating clinicians have been appointed.

The upgrading of George, Worcester and Vredenburg Hospitals has continued as Hospital Revitalisation Projects (HRP). The business case for Paarl Hospital has been approved and tenders invited for the revitalisation project. The business case for the proposed Khayelitsha Hospital has been submitted and the preliminary planning of this hospital has commenced.

- Spending Trends

The Department has spent an amount of R5,718,812 million on a budget of R5,776,822 million which constitutes an under-expenditure of R58,010 million.

The under-expenditure is attributed to amongst others the following Grant allocations not being spent in full:

<u>Grant</u>	<u>Under-expenditure</u> R'000	<u>Causes</u>
Hospital Revitalisation Conditional Grant	48,600	Slow performance of contractors on various projects and delays in the approval of business cases.
Forensic Pathology Conditional Grant	8,300	The funding for this grant was allocated during the Adjustments Estimate, therefore insufficient time was allowed to utilize all the funds effectively.

The equitable (non-conditional) portion of the Budget has been overspent by R3 m. After final virements had been applied the over-expenditure has been recorded in Programme 5: Central Hospital Services.

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

Due to difficulty with the recruiting of certain categories of staff, particularly nurses, Compensation of Employees has been underspent. The Department therefore overspent on Goods and Services which includes payments for agency staff (nurses) amounting to R97,335 m and on Equipment. Over-expenditure on Goods and Services and Equipment was planned as a result of posts not being filled as anticipated.

The Vote (Department) consists of the following programmes:

Programme

- 1 The Ministry, Head Office and Regional Offices.
- 2 Primary Health Care Services and District Hospital Services.
- 3 Pre-hospital Emergency Medical Services and inter-hospital transfers.
- 4 General Specialist, Psychiatric, TB, Chronic and Dental hospitals.
- 5 The three central hospitals.
- 6 Training, mainly that of nurses.
- 7 Orthotic and Prosthetic Services, Forensic Pathology Services, Minor Building Maintenance, Engineering Installations and the Central Medical Depot.
- 8 Construction, upgrading and maintenance of facilities including the hospital revitalisation and provincial infrastructure conditional grants.

Actual Expenditure spent per programme

	Rm	%
1 Administration	167	3
2 District Health Services	1,630	29
3 Emergency Medical Services	256	4
4 Provincial Hospital Services	1,296	23
5 Central Hospital Services	1,981	35
6 Health Sciences and Training	79	1
7 Healthcare Support Services	93	2
8 Health Facility Management	217	4
Total for Department	5,719	100

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

Amounts spent per Economic Classification

	Rm	%
- Compensation of Employees	2,977	52
- Goods & Services (mainly Municipal Services, Medical and Surgical Requisites, Blood, Pharmaceuticals and Agency Staff (nurses))	1,893	33
- Transfers to Municipalities (primarily for primary health care)	226	4
- Thefts & Losses	2	0
- Departmental Agency (CMD & SITA)	9	0
- Universities & Technicons (Joint staff)	54	1
- Transfers to Non-profit Institutions	152	3
- Transfers to Households (bursaries)	61	1
- Machinery & Equipment	164	3
- Buildings; Construction & Maintenance	181	3
Total	<u>5,719</u>	<u>100</u>

Revenue

Revenue was over recovered by R22 m, of which R7 m was due to exchange rate differences with respect to the Global Fund. Most of the remainder was due to improved debt collection by hospitals.

Actions planned to avoid a re-occurrence

Additional emphasis will be placed on the recruitment of staff and expenditure on building related projects.

Any other material matters

Spending on Goods and Services and on Equipment in the last quarter, particularly the last month of the year was substantially higher than the previous months, with the first month of the new financial year being a usually low spending month. In the future the Department will acquire equipment on a multi-year cycle in an attempt to reduce the peak in the last quarter.

The HIV/AIDS conditional Grant has been overspent by R10 m.

2. Services rendered by the Department

2.1 The services rendered by the Department are indicated in the Programme Performance section of the Annual Report.

2.2 Tariff Policy

The fees charged for services rendered at the institutions under the control of this Department have been determined and calculated according to the principles of the Uniformed Patient Fee Schedule (UPFS) as formulated by the National Department of Health.

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

The Department has adopted and implemented the UPFS in respect of both, the externally funded patients (previously known as private and private hospital patients) and the subsidized hospital patients. Due to the size of the document setting out the UPFS tariffs, the detail is not included as part of this report, but is available on request.

Certain sundry tariffs are also charged. The basis of these tariffs is market related.

These sundry tariffs apply to:

- Meals
- Laundry
- Incineration of medical waste
- Lecture notes
- Day care fees
- Accommodation

2.3 Free Services

Certain free services are rendered at institutions that fall under the control of this Department. In certain instances the private/private hospital patients are excluded from the benefit of the free services. The criteria that applies is in line with policies as determined by the National Department of Health in this regard, and include the following:

- Children under the age of six years (Excluding private/private hospital patients)
- Pregnant women (Excluding private/private hospital patients)
- Family planning
- Infectious diseases
- Involuntary (certified) mental health care user (MHCU)
- Termination-of-pregnancy patients
- Children attending school who are referred to hospital
- Medico-Legal services
- Oral health services (Scholars and mobile clinics only)
- Immunisations
- Hospital personnel employed before 1976
- Committed children
- Boarders, live-in children and babies, relatives and donors
- Primary health care services
- Social pensioners
- Formally unemployed
- Antiretroviral (ARV) Services (Subsidized patients only)

It is not possible to quantify the cost of these free services since it is dependant on the operational costs that varies across the institutions where these services are rendered.

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

2.4 Inventories stated in R'000

Institutions	INVENTORY GROUPS								Total
	Stationery	Provisions	Med & surg.	Pharm	Clean/chem	Engin.	Maint.	Other	
Head Office	88	0	0	0	0	0	0	0	88
Boland	321	43	1,626	0	117	0	7	180	2,294
Metropole	3,252	1,950	14,630	6,816	1,180	129	389	4,164	32,510
West Coast	132	59	884	700	76	0	7	267	2,125
Southern Cape	395	103	1,332	1,529	151	8	24	303	3,845
APH	196	192	110	486	0	0	0	70	1,054
Tygerberg	30	0	992	0	190	0	0	324	1,536
Groote Schuur	626	549	8,086	11,348	308	263	23	1,072	22,275
Red Cross	310	285	1,140	3,231	319	74	0	169	5,528
Engineering	0	0	0	0	0	0	10	1	11
MDHS	386	128	1,532	235	50	0	31	0	2,362
EMS	0	0	0	0	0	0	0	0	0
Dental Hospitals	0	0	1	0	0	0	0	0	1
WCCN	275	115	13	0	0	0	134	0	537
TOTALS	6,011	3,424	30,346	24,345	2,391	474	625	6,550	74,166

These inventories pertain to Main Depots only. Inventories are costed using various accounting systems and methods, including WAC (weighted average), FIFO (first-in first-out) and LIFO (last-in first-out).

3. Capacity constraints

The reduced nursing capacity, both in terms of numbers and experience, remains a key challenge in the Department. Professional and specialized nurses are highly mobile in a global environment of high demand. The attrition rate for professional nurses is 25% and several strategies have been embarked upon within the Department to address this challenge, e.g.

- More bursaries have been allocated for formal training increasing the number of nurses in training and the capacity for sub-professional training in a few hospitals (Tygerberg and Groote Schuur Hospitals and the Western Cape Rehabilitation Center) has been increased, also allowing for bridging towards a professional qualification;
- During 2005, 167 sub-professional categories were bridged; and
- A post graduate training programme for midwifery, in conjunction with the University of the Western Cape, has been established at Mowbray Maternity Hospital.

The lack of nurses with theatre and intensive care training and experience created bottlenecks in these critical areas resulting in increased waiting times and waiting lists. There is a dependency on agency staff for nurses who often do not have the required experience. The following strategies have been embarked upon to address these issues:

- The Cape Peninsula University of Technology has been approached to assist with the training of theatre technicians, a midlevel category or worker to support theatre nurses.
- Non-nursing tasks have been identified and appropriate staff appointed.

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

- Theatre managers have been appointed at Tygerberg and Groote Schuur Hospitals at executive level to improve the efficiency and throughput of theatres.
- Nursing mentors are being appointed in theatres and intensive care units to provide support for sub-professional and student categories of nurses.

Improving the nursing environment with functioning basic equipment and hospital beds would still require significant funding.

4. Utilisation of donor funds

The following donor funding was available to the Department during the 2005/06 financial year:

	R'000
Rotary Club	1,300
European Union Funds	18,180
Belgium Fund	989
World Population Fund	<u>276</u>
TOTAL	<u>20,745</u>

Donor funding received has been accounted in Donor accounts within the financial system of the Department. All donor funding except the donation from the Rotary Club has been spent in full as at 31 March 2006.

An amount of R57,807 million was donated by the Global Fund towards HIV/AIDS prevention.

Global Funding has not been accounted for separately as the case with the donations mentioned above. The donation in this regard has been incorporated into the main accounting structure of the Department as a separate sub-programme as approved by the Provincial Treasury.

5. Trading entities

The Cape Medical Depot has been established as a Trading Entity in terms of National Treasury Regulations as from 1 April 2005.

The Depot is responsible for procuring Pharmaceutical-, Medical and Surgical and other related supplies. Bulk buying results in cost effectiveness as well as standardization on products. A further advantage of maintaining a Depot is to minimize stockholding at institutional level.

The Trading Entity charges a levy of 8% on store stock and 5% on Direct Delivery purchases to sustain it's operational costs.

A separate set of Financial Statements on the Cape Medical Depot has been included in this report.

6. Organisations to whom transfer payments have been made

The Department of Health assumed the responsibility of Personal Primary Health Care (PPHC) in the rural areas as from 1 April 2005. Prior to 1 April 2005 Local Authorities were funded for the rendering of PPHC by means of transfer payments.

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

With the assumption of responsibility of the above mentioned function the Department was allocated additional funding in the 2005/06 financial year to provide for the loss in revenue previously funded by the Local Authorities to provide a comprehensive service.

Given the fact that it was not possible to determine how the respective municipalities should be funded at that stage within the "Transfer Payment" budget an amount of R100 million was allocated pro rata per municipality while a further R30 million remained unallocated to be dealt with in the Adjustments Estimate (2005/06 financial year).

During the Adjustments Estimate process it was still not possible to allocate the R30 million. It was also agreed during the course of the year that Municipalities would submit claims on a monthly basis. Ideally these claims should have been included in current expenditure given the fact that the services were now being rendered by the province. It was therefore agreed to allocate the R30 million on a 60/40 split between the items Compensation of Employees and Goods and Services i.e. current expenditure.

Personal Primary Health Care functions were as a result of this funded from both Transfer Payments and Current expenditure.

Claims submitted were mostly funded from the Transfer Payment allocation in Programme 2 resulting in an over-expenditure in this Programme.

Current payment expenditure in Programme 2 on the other hand was underspent and a saving as a whole is recorded in the Programme after corrections have been made for conditional and earmarked expenditures.

For more detailed information in this regard please refer to Annexure 1B of the Notes to the Statement of Financial Performance.

7. Public private partnerships (PPP)

The Department of Health has not yet entered into PPP Concession Agreements. The feasibility of such arrangements are still being investigated:

Western Cape Rehabilitation Centre

The Private Party, will be responsible for the rendering of hard and soft facilities management services, the revitalisation and maintenance of existing medical equipment and the provision and maintenance of new equipment, i.e. furniture and medical equipment.

The Department issued Request for Proposal (RFP) documents to the pre-qualified bidders. The bids received were evaluated and a preferred bidder is in the process of being appointed.

Hermanus Provincial Hospital

This project will arrange for the co-location of hospital facilities and provision of facilities management services at the Hermanus Provincial Hospital.

The concession period is 15 years for the upgrade and refurbishment of the public hospital and the provisioning of hard and soft facility management services to the Department.

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

Swellendam

The Private Partner will be granted the right to establish a private health facility on the premises of the Provincial Hospital by gaining access to underutilized areas in the Provincial Hospital.

The concession period is 15 years as a co-location project, with the refurbishment and upgrade of the public hospital and the provision of hard and soft facility management services to the Department.

Eersterivier Hospital

This project was de-registered after a Department Top Management decision taken in March 2006.

Grassy Park

This project will arrange for the construction of a Community Health Centre.

8. Corporate governance arrangements

Internal Audit

The co-sourced arrangement between the Sihluma Sonke Consortium and Provincial Treasury to provide Internal Audit to the Department is still in place.

To date reports on the following issues have been tabled:

- Procurement and Tendering
- Asset Management
- Facility Management
- Admissions
- Pharmacy Procurement and Stock Control
- Leave
- Contract Management
- Budgets
- Transfer Payments
- Recruitment and Appointment
- Organisational Design
- Training and Development
- Provisioning and Stock Control

Critical issues identified are being addressed by both Management and the Internal Control Section of the Department.

Audit Committee

The Departmental Audit Committee chaired by Dr T Sutcliffe has been in place for the last two financial years, including 2005/06. The Report of the Audit Committee is contained in the Annual Report of the Department.

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

Risk Management

The Provincial Cabinet has recently approved a structure for Risk Management in the Department.

Posts to strengthen this function are in the process of being advertised and filled.

9. Discontinued activities/activities to be discontinued

The Department has not discontinued activities during the 2005/06 financial year. Activities were however moved/consolidated between institutions. An example of such consolidation is Paediatric cardiac surgery cases presenting at Tygerberg Hospital being treated at Red Cross Children's Hospital.

10. New/proposed activities

District hospital services in the Metro were increased by the commissioning of an additional 120 level 1 beds, 90 in Tygerberg Hospital and 30 in Karl Bremer Hospital.

The Chronic Dispensing Unit was established and opened on 1 December 2005. The aim of the unit is to provide a central dispensing facility where the medications for patients who are stabilized on their medication is prepared and delivered to the Community Health Centres where it is dispensed to the patients. This will alleviate the workload of the pharmacists at the CHCs and also help to address the long-standing problem of prolonged waiting times for patients at the pharmacies. An amount of R8,3 million was allocated in the 2005/06 budget and R4,3 million in the 2006/07 budget for ongoing operational costs.

The Department has established a Staff Health and Wellness Programme (SHWP) to support employees dealing with life challenges. This programme is provided by the Independent Counseling and Advisory Service (ICAS), is free of charge, available to employees and their dependents, is multi-lingual and available 24 hours per day and 365 days per year. The service provides telephonic or face-to-face counseling as well as access to Life Management Consultancy services. Examples of common issues for which they are consulted are:

- Relationships: family, work, partners, friends;
- Family: childcare, eldercare, state benefits;
- Emotional issues: stress, substance abuse, depression, trauma;
- Financial issues: debt and money management;
- Legal matters: maintenance, child custody, divorce law, consumer rights;
- Health issues: HIV and AIDS counseling, illness, harassment.

An amount of R1 million was allocated in the 2005/06 budget for this purpose.

In terms of the Provincial language policy all official documentation should be printed in the three official languages of the Western Cape, i.e. English, Afrikaans and IsiXhosa. To facilitate this process an amount of R2,3 million was allocated and a Language Liaison Services Unit has been created within the Directorate: Communications which has been operational since December 2005. This unit can be consulted by all health officials for the translation of official documents.

An amount of R1,5 million has been allocated to fund the burden of disease study that the Faculties of Health Sciences of the Universities of Cape Town, Stellenbosch and the Western Cape have been requested to perform with a view to facilitating the long-term planning of the Department.

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

11. Events after the reporting date

No material events.

12. Performance information

The Department has several processes in place to provide performance information.

Health service and status information are collected routinely throughout the year to determine performance in terms of service delivery and the expected health status improvement.

Selective performance indicators are collected from the afore-mentioned information and presented to the National Department of Health as the Quarterly Performance System.

The Monitoring and Evaluation Committee of the Department monitors programme performance against a set of indicators included in the Department's Strategic Plan. The deliberations of this committee are to a large extent included in the Quarterly Performance Report.

At the end of the financial year the four Quarterly Performance Reports constitute the major part of the performance section of the Department's Annual Report.

13. SCOPA resolutions

Reference to previous audit report and SCOPA resolutions	Subject	Progress made on SCOPA resolutions
<p>Second Report dated 06 December 2005 Paragraphs 10 & 14 (The first report was not relevant to Department of Health)</p>	<p>Normal Overtime</p> <ul style="list-style-type: none"> • Contravention of paragraph 5.6 of Collective Agreement compensation for Overtime • Employees receiving overtime in excess of budget limit • Overtime expenditure exceeds budget by 7.91% • Overtime paid to employees on leave <p>The above cases are attributed to medical staff shortages, which in turn could negatively effect health care delivery and lead to increased medical claim liability.</p>	<p>It was previously indicated in the cases identified by the Auditor General that justifiable reasons exist as to why the excessive overtime was worked. It was again highlighted in circular H12/2006 dated 6 February 2006 that the limit may only be exceeded in exceptional, fully motivated circumstances.</p> <p>It has also been made a requirement that Regional Directors and Chief Executive Officers of regions/ institutions draw reports on a regular basis as indicated in the foregoing circular.</p> <p>Non-compliance will result in disciplinary action.</p>

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

Reference to previous audit report and SCOPA resolutions	Subject	Progress made on SCOPA resolutions
	<p>Resolutions</p> <ul style="list-style-type: none"> • Adequate control measures should be implemented to ensure proper control over the recording and payment of overtime; • Adequate evidence to be submitted that the excessive overtime was paid for a critical need; <p>A full investigation into the matters mentioned should be undertaken to ensure that the relevant laws and regulations are complied with (e.g. approval exists for exceptional overtime worked); and the investigation should also include tests to ensure compliance with Basic Conditions of Employment Act, no 75 of 1997</p>	<p>Although operational requirements deem it necessary to recall employees from leave from time to time, the application form is not in all instances cancelled. Institutions have once again been instructed that they may not pay overtime while officials are on leave</p> <p>The Department must ensure that a 24 hours service is maintained and there are special circumstances where excessive overtime is fully justified. Although it is important that medical staff do not work abnormal hours, the increase in the medico-legal claims is not necessarily a direct result thereof.</p> <p>It should also be noted that adequate control measures have been put in place in terms of circular H12/2006. It was indicated as mentioned by the committee that the motivation and approval for excessive overtime must be filed for audit purposes. As previously mentioned to the Auditor General, the internal audit component of the Directorate: Human Resource Management will ensure that compliance exists for the approval for excessive overtime worked during internal audit investigations at institutions. It should however once again be brought to the attention of the committee that the Public Servants fall within the scope of the Public Service Act, 1994, and that the Basic Conditions of Employment Act has not been fully implemented within the Public Service.</p> <p>The real impact of the instructions contained in circular H12/2006 will only be noticeable in the 2006/07 financial year.</p>

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

Reference to previous audit report and SCOPA resolutions	Subject	Progress made on SCOPA resolutions
	<p>Asset Management</p> <ul style="list-style-type: none"> • Not all departments were on the government prescribed and accepted LOGIS asset management system during the 2004/05 financial year, or were only in the process of implementing the system at year-end. • The LOGIS system could not in all cases be reconciled with the department's asset register. • In some cases the departments were still in the process of updating and finalising its asset register. • Where LOGIS asset registers were in place, this did not always contain all the information required. • Detailed asset registers were not always in place. <p>As a result it was not always possible to verify the existence, accuracy and completeness of assets.</p> <p>Resolutions</p> <ul style="list-style-type: none"> • Where the prescribed LOGIS system is not yet fully implemented, that the implementation be finalised as a matter of urgency; • The LOGIS asset registers be updated with all the required information in order for the system to be utilised as intended; 	<p>The department during the 2005/06 financial year submitted an asset management strategy to both the Provincial and National Treasury. This was conveyed to the Committee during the 2005/2006 SCOPA Hearing.</p> <p>This strategy entailed that all institutions where Logis have been implemented, will have updated asset registers by 31 March 2007. Further, that an asset module be purchased for the academic hospitals, who are on the Syspro System and that their asset registers will also be in place by 31 March 2007.</p> <p>All Institutions in the rural areas (33) viz. Southern Cape/Karoo, West Coast/Winelands and Boland/Overberg had updated registers by 31 March 2006.</p> <p>All Institutions within the Metro Regions are in the final process of updating the asset registers.</p> <p>The updating of the asset registers at the academic hospitals started on 1 July 2006 with a finalisation date of 31 March 2007.</p>

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

Reference to previous audit report and SCOPA resolutions	Subject	Progress made on SCOPA resolutions
	<ul style="list-style-type: none"> • The LOGIS system and other asset registers that may be utilised by the departments be reconciled as a matter of urgency; and • All assets registers are updated with all relevant and required information. 	

14. Other

Related Parties

The disclosure of information on Related Parties is regarded as being confidential by the Department of Public Service and Administration (DPSA). The Director General: Office of the Public Service Commission has the authority in terms of Public Service Regulation, 2001, Chapter 3, F to grant approval for the disclosure of information if there is a compelling public interest in its disclosure. As a result information in this regard has not been disclosed in the Disclosure Notes to the Financial Statements.

Cape Medical Depot

Information pertaining to the Cape Medical Depot has been removed from the Trial Balance. Separate Annual Financial Statements has been compiled on the activities of the Cape Medical Depot. The accounting adjustment has been made against the Bank Account effectively overstating the Bank Balance as a result. The same applies to the 2004/05 comparative information presented.

Asset Management

On 1 April 2005 the National Treasury implemented a new system of Asset Management. The main aim of this system is to ensure that adequate Asset Registers be maintained. Asset Registers must amongst others make provision for the fair value of assets to be recorded.

Compliance to this requirement is a major exercise for the Department of Health. Effectively it means that each and every asset needs to be identified, validated and registered.

Both National and Provincial Treasury were informed that the Department will not be compliant at the end of the 2005/06 financial year.

During 2005 a plan was presented to National Treasury indicating steps to be taken to ensure compliance by March 2007.

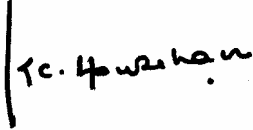
To date Asset Registers have been implemented at all the Rural Hospitals. Metro Hospitals will be finalized by July 2006 and the Central Hospitals will be completed before 31 March 2007.

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

Approval

The Annual Financial Statements set out on pages 117 to 165 have been approved by the Accounting Officer.

A handwritten signature in black ink, appearing to read 'K.C. Househam', is written over a light grey rectangular background.

PROFESSOR KC HOUSEHAM
ACCOUNTING OFFICER

DATE: 31 May 2006

WESTERN CAPE PROVINCE
DEPARTMENT OF HEALTH

REPORT OF THE AUDITOR-GENERAL TO THE PROVINCIAL PARLIAMENT OF THE WESTERN CAPE ON
THE FINANCIAL STATEMENTS OF THE WESTERN CAPE DEPARTMENT OF HEALTH (VOTE 6) FOR THE
YEAR ENDED 31 MARCH 2006

TABLE OF CONTENTS		PAGE
1.	AUDIT ASSIGNMENT	99
2.	SCOPE	99
3.	BASIS OF ACCOUNTING	99
4.	AUDIT OPINION	99
5.	EMPHASIS OF MATTER	100
5.1	Unauthorised expenditure	100
5.2	Asset management	100
5.3	Compensation of employees	100 – 102
5.4	Transfer and subsidies	102
5.5	Supply chain management	102 – 103
5.6	Provincial infrastructure grant	103 – 104
5.7	Hospital revitalisation programme grant	104 – 106
5.8	Performance information	106
5.9	Risk management policy and fraud prevention plan	106
5.10	Inventory management	106 – 107
5.11	Non-compliance with laws and regulations	107
5.12	General control environment weaknesses	108
6.	APPRECIATION	108

**REPORT OF THE AUDITOR-GENERAL TO THE PROVINCIAL PARLIAMENT OF THE WESTERN
CAPE ON THE FINANCIAL STATEMENTS OF THE DEPARTMENT OF HEALTH (VOTE 6)
FOR THE YEAR ENDED 31 MARCH 2006**

1. AUDIT ASSIGNMENT

The financial statements as set out on pages 117 to 165, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 4 and 20 of the Public Audit Act, 2004 (Act No. 25 of 2004). The fixed asset opening balances have not been audited because of the timing of guidance from National Treasury to the departments relating to the treatment, valuation and disclosure of fixed assets. These financial statements are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

2. SCOPE

The audit was conducted in accordance with the International Standards on Auditing read with General Notice 544 of 2006, issued in Government Gazette no. 28723 of 10 April 2006 and General Notice 808 of 2006, issued in Government Gazette no. 28954 of 23 June 2006. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

I believe that the audit provides a reasonable basis for my opinion.

3. BASIS OF ACCOUNTING

The department's policy is to prepare financial statements on the modified cash basis of accounting determined by the National Treasury, as described in note 1.1 to the financial statements.

4. AUDIT OPINION

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Health at 31 March 2006 and the results of its operations and its cash flows for the year then ended, in accordance with the modified cash basis of accounting determined by the National Treasury of South Africa, as described in note 1.1 to the financial statements, and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999).

5. EMPHASIS OF MATTER

Without qualifying the audit opinion, attention is drawn to the following matters:

5.1 Unauthorised expenditure

Unauthorised expenditure relates to the overspending of a vote or main division within a vote. The department has overspent on programme 5 by an amount of R9,9 million after applying virement rules as defined by section 43 of the Public Finance Management Act, 1999 (Act No. 1 of 1999).

5.2 Asset management

5.2.1 The opening balances for institutions in the Metropole region and Emergency Medical Services are included in annexure 4 at a value of R1. It is uncertain whether management has made reasonable attempts to locate the original supporting documentation relating to these assets in order to assign the original costs to these assets as required by the accounting policy.

5.2.2 As indicated on page 96 of the accounting officer's management report adequate asset registers, as required by the new system of asset management implemented by National Treasury, were not operational at the Metro hospitals and the Central hospitals.

5.2.3 Furthermore, because the asset registers are incomplete as indicated above it was not possible to test the completeness of disposals disclosed in annexure 4.

5.3 Compensation of employees

5.3.1 Commuted Overtime

Commuted overtime paid by the department during the financial year under review amounted to R160,6 million compared to R144,7 million in the prior financial year, representing a 11 per cent increase. Notwithstanding the prior year audit findings and the envisaged corrective steps indicated, the following internal control weaknesses occurred at eight of the eleven hospitals/institutions audited:

(a) Control over commuted overtime

An adequate internal control system to ensure the validity, accuracy and completeness of actual commuted overtime hours worked does not exist. Consequently based on a sample test the following weaknesses were revealed:

- (i) Commuted overtime payments were not reduced by leave periods taken, which resulted in overpayments being made (overpayments in 27 instances amounting to R135 593).
- (ii) Verification forms and duty rosters were not completed or reviewed by the heads of clinical departments/supervisors to confirm the commuted overtime hours worked.
- (iii) Audit was unable to verify the commuted overtime hours worked to the duty rosters as no attendance registers were maintained.

(b) Commuted overtime contracts

Commuted overtime contracts were not reviewed on an annual basis to confirm the necessity of hours required. Therefore, uncertainty exists whether the proper internal checking and control was performed in the absence of contracts.

5.3.2 Normal overtime

- (a) Paragraph 5.6 of the Collective Agreement: Compensation for overtime P6 of 2002 stipulates that the monthly compensation for overtime of an employee may not constitute 30 per cent or more of her/his monthly salary. In exceptional cases this percentage may be exceeded.

A PERSAL exception report indicated that overtime payments (6 874 cases) amounting to R21 million represents 30 per cent and more of employees' basic salary for the financial year under review. The overtime payments, above the 30 per cent threshold, represent 37 per cent of the total normal overtime amounting to R56,9 million for the year under review. A further analysis of the exception report indicates that R16 million of the R21 million was paid to medical staff.

- (b) Overtime while on leave

A PERSAL exception report indicated that in 1 564 instances, overtime amounting to R882 534 was paid to officials whilst they were on leave, contrary to the prescripts of the Staff Code and the Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997).

- (c) Effect of excessive overtime

As referred to in paragraph 5.3.2(a) above, excessive normal overtime payments were made which highlights that the department has serious medical staff shortages. This situation could lead to a reduction in the standard of health care delivered, which could increase the department's liability in respect of medical claims.

Furthermore an analysis of the filled and funded medical posts indicated a 17 per cent shortage of medical staff, which translates into an underspending of the final budget amounting to R24,8 million in the financial year under review due to vacant posts not being filled.

5.3.3 Sessional allowances

The following control weaknesses in administering the sessional allowances paid to medical doctors were revealed at 5 of the 8 hospitals/institutions tested:

- (a) Signed employment contracts indicating the contractual periods and terms of employment could not in all instances be submitted for audit purposes. Furthermore, expired employment contracts were not always updated;
- (b) Regular reviews of the sessions allocated were not always performed to determine the necessity in accordance with the operational requirements; and
- (c) Proof of actual hours worked/duties performed were not submitted on a weekly/monthly basis as required by departmental prescripts.

5.3.4 Control over pay sheets

- (a) A review of the administration of pay sheets indicated various control weaknesses, which include *inter alia*; pay sheets verified after pay date and control registers not adequately certified by the paymasters. Furthermore pay sheets for certain months at one hospital visited could not be submitted for audit purposes; and
- (b) Given the large number of staff employed by the department, the key control of pay sheet administration was not effectively utilised to minimise the risk of payments to fictitious employees.

5.3.5 Late capturing of leave

A PERSAL report extracted for the period 1 April - 30 June 2006 indicated that approximately 19 735 instances of leave taken during the financial year under review was captured on PERSAL subsequent to 31 March 2006.

5.3.6 Human Resource Management Plan

The department has not developed a Human Resource Management Plan as required in terms of Chapter 1, Section III D.1 of the Public Service Regulations, 2001.

5.4 Transfers and subsidies

Non-submission of financial statements

Audited financial statements of certain recipient institutions for the 2004/05 financial year have not been submitted to the department, as per section 8.4.1(b) of the Treasury Regulations. It is therefore uncertain whether the accounting officer satisfied the requirement of ensuring that funds previously transferred were utilised for intended purposes, as required by section 8.4.1 of the Treasury Regulations and section 38(1)(j) of the Public Finance Management Act, 1999 (Act No. 1 of 1999), prior to or soon after the transfer of moneys in respect of the 2005/06 financial year's allocation.

Furthermore it should be noted that funds were transferred to these recipients in the absence of audited financial statements, contravening section 3.2.2.12 and section 3.2.1.10 of the departmental finance instructions G60/2001 and G48/2001, respectively.

5.5 Supply chain management

A value-added audit focusing on supply chain management was performed concurrently and in conjunction with the audit of the financial statements for the year ended 31 March 2006. The following findings refer:

5.5.1 Inappropriate utilisation of delegation 7.5

Delegation 7.5 issued in terms of Delegation of powers issued by the Accounting Officer in terms of sections 44(1) and 44(2) of the Public Finance Management Act, 1999 (Act No. 1 of 1999) was utilised to procure various goods and services amounting to R4 204 784. The procurement of these goods and services did not in all instances warrant the utilisation of delegation 7.5 as the situations did not qualify as urgent/emergency cases as described in the Accounting Officer's System. The urgent/emergency delegation applied in these situations was due to a lack of proper planning by the relevant directorates prior to procurement of goods and services.

It was further revealed that the provision of security and management of linen at one hospital, valued at R3,8 million per annum and R67 000 per month respectively, were paid utilising delegation 7.5 due to the non-existence of a proper contract. An audit concern exists regarding the validity of payments made in the absence of a valid agreement/contract.

5.5.2 Procurement

In various instances complaints were reported to the head office supply chain management unit by approved suppliers, who indicated that certain hospitals and institutions were procuring goods from unapproved suppliers, thereby breaching the supply chain management prescripts. The full details and rand value of such procurement had not been determined at the date of this report and consequently has not been disclosed in the financial statements as irregular expenditure.

5.6 Provincial infrastructure grant

A value-added audit focusing on provincial infrastructure grants was performed concurrently and in conjunction with the audit of the financial statements for the year ended 31 March 2006. The following findings refer:

5.6.1 Changes to planned projects on the original budget

Provincial infrastructure grant projects as per the original budget were not all delivered as originally planned. The following changes were made to the planned projects and project budgets:

- (a) The budgeted amounts as per the original budget for a total of 10 projects were materially decreased (with more than 20 per cent) when the adjusted budget was compiled. The total decrease in budgeted expenditure for these 10 projects amounted to R16,5 million (30 per cent of the original budget).
- (b) A total of 16 new projects to the value of R29,1 million (53 per cent of the original budget), which were not included in the original budget, were included in the adjusted budget.
- (c) The total completion cost for a total of 20 projects, which appeared on both the original and the adjusted budget was increased by R53,8 million (36 per cent of the original budget).

5.6.2 Actual versus budgeted expenditure on projects

A review was performed to determine the level of actual expenditure compared with the adjusted budgeted amount for the 2005/06 financial year and the following was noted:

- (a) No expenditure was incurred on a total of 12 projects (25 per cent) to the value of R3,5 million (6.3 per cent of the adjusted budget).
- (b) A total of three projects (6.25 per cent) on the adjusted budget were materially underspent (with 20 per cent or more). The total under-expenditure on these projects amounted to R2,3 million (79.3 per cent).
- (c) A total of nine projects (18.75 per cent) on the adjusted budget were materially overspent (with 20 per cent or more). The total over-expenditure on these projects amounted to R17,5 million (77 per cent).
- (d) Expenditure to the amount of R1,7 million was incurred on five projects that did not appear on the adjusted budget.
- (e) A comparison between the expenditure reflected on management information reports for provincial infrastructure grant projects as per the records of the Department and the Department of Transport and Public Works, differed materially on certain projects. The differences on five projects amounted to R7,2 million.

The budget establishes a framework for efficient and effective financial management and promotes transparency, participation and accountability. The material changes to the original budget and material variances between actual expenditure and the adjusted expenditure hampered the effectiveness of the budget as a financial management tool.

5.6.3 Project delays

Material delays were experienced in implementing provincial infrastructure projects that appeared on the original budget for the 2005/06 financial year.

- (a) Owing to the delays experienced on the provincial infrastructure projects on the original budget, the targeted completion dates for 13 of the 27 projects (48 per cent) on the original budget were extended when the adjusted budget was compiled. The extension/delay for these projects totalled 173 months (the average extension/delay per project was 13 months).
- (b) The progress on a sample of 10 projects was reviewed and it was determined that 7 of the 10 projects (70 per cent) had not progressed to a stage where tenders have been awarded and/or where construction had commenced, although 6 of these projects had to be completed by May 2006.

5.6.4 The following factors contributed to the material changes between the original planned projects and the planned projects on the adjusted budget, the variances between budgeted and actual expenditure as well as the project delays:

- (a) Capacity problems were experienced within the professional support services directorate of the department, which negatively affected their ability to timeously provide briefing documents/business cases to the Department of Transport and Public Works. This resulted from the decision to shift infrastructure funding from the Department of Transport and Public Works to the department with effect of the 2005/06 financial year.
- (b) The department did not have a formal monitoring and evaluation component which negatively affected their ability to actively monitor and follow-up on the progress made on the planning and implementation of infrastructure projects by the Department of Transport and Public Works.
- (c) The Department of Transport and Public Works did not timeously complete the design and planning work on infrastructure projects and in certain instances did not comply with the parameters/specifications of the briefing documents/business cases submitted by the department.
- (d) Project estimates were only performed after projects were approved and included in the department's budget. As a result project estimates exceeded the budgeted amounts which delayed the implementation of projects.
- (e) Communication and co-ordination barriers existed between the department and the Department of Transport and Public Works owing to the service level agreement between the two departments specifying that the department was not allowed to communicate directly with consultants, contractors and public works personnel.

5.7 Hospital revitalisation programme grant

A value-added audit focusing on the hospital revitalisation program grant was performed concurrently and in conjunction with the audit of the financial statements for the year ended 31 March 2006. The following findings refer:

5.7.1 Project management

Construction to hospital structures funded from the hospital revitalisation program grant undertaken at various hospitals were found to either be damaged requiring additional construction costs or not suitably designed and constructed, or not fully operational by the planned date according to the Project Implementation Plans, thereby impeding the delivery of quality health care services to patients. These deficiencies resulted from the following:

- (a) ineffective project management;
- (b) a lack of communication and co-operation between the Department of Health and the Department of Transport and Public Works;
- (c) a lack adequate resource planning; and
- (d) the fact that contracts concluded with various contractors do not impose penalties for late completion/handover of specific deliverables within one entire revitalisation project.

5.7.2 Delay in approval of business cases

A significant time lapse between the submission of business cases and the issuing of tenders for hospital projects occurred, due to delays in the business case approval process. It can further be concluded that benchmark timeframes for the business case approval process, against which the actual approval timeframes could be measured, have not been determined and standardised by the National Department of Health and the Western Cape Department of Health.

Furthermore, the Service Delivery Agreement between the Department of Health and Department of Transport and Public Works does not make provision for the monitoring of timeframes for the delivery of the planning and tender process function, which is performed by Department of Transport and Public Works.

5.7.3 Approval of project expenditure

The Service Delivery Agreement between the Department of Health and Department of Transport and Public Works indicates that the latter department is responsible to certify payments to contractors and thereafter advise the Department of Health to effect payment, as the budget holder. This agreed arrangement allows for the accounting officer of the Department of Health to approve expenditure without reviewing the related, appropriate supporting documentation and consequently not satisfying the requirement of section 38(1)(c)(ii) of the Public Finance Management Act, 1999 (Act No. 1 of 1999).

5.7.4 Consultancy fees

The documentation/schedules detailing the monies spent on consultants since the beginning of each of the Hospital Revitalisation projects could not be submitted for audit purposes. Consequently, it could not be determined whether the officials from either the Department of Health or Department of Transport and Public Works actively monitored payments made to consultants.

In the absence of this monitoring function of the percentage completion of projects versus payments made to consultants, substandard work could be delivered, budgets could be exceeded and project completion could be delayed, all of which has been observed as indicated in paragraph 5.7.1 above.

5.7.5 Construction cost per square meter

Information relating to cost per square meter incurred on each project versus the construction expenditure incurred on that particular project could not be provided for audit purposes. Management was also not able to provide information relating to the basis/principle for area and cost norm limits nor whether they have been established and approved for monitoring purposes in the Western Cape. Consequently the effectiveness of management's monitoring mechanisms to ensure that project costs stay within the budget constraints could not be determined.

5.7.6 Financial monitoring

Significant differences were noted between the budget amounts per BAS and those budget amounts contained in the PIP's and consequently uncertainty exists regarding accurate financial monitoring in this regard.

Furthermore, after a financial analysis of the revitalisation grant funding and spending, it was noted that there is a significant underspending, amounting to R48,6 million as at 31 March 2006. This could lead to a situation where future funding from National Department of Health is reduced as the funds are not being utilised.

5.8 Performance information

The performance information to be included in part 2 of the department's annual report for 2005/06, as submitted in draft format for audit purposes, has been reviewed. The following shortcomings were identified:

5.8.1 Objectives not aligned

The pre-determined objectives in the strategic plan for Program 8: Health Facilities Management, are not aligned to the objectives in the annual budget or the annual report, as required by the medium term expenditure framework guideline. The objectives reported on in the annual report were aligned to the 2006/07 strategic plan instead of the pre-determined objectives in the 2005/06 strategic plan.

5.8.2 Reported information inconsistent when compared to evidence gathered

The reported information in the annual report (actual figures) for 12 out of 154 indicators (8 per cent), is materially inconsistent when compared to the evidence gathered during the audit due to a lack of verifiable supporting documentation.

5.9 Risk management policy and fraud prevention plan

Section 38.1(a)(i) of the Public Finance Management Act states that the accounting officer for a department, trading entity or constitutional institution must ensure that the department, trading entity or constitutional institution has and maintains effective, efficient and transparent systems of financial and risk management and internal control. The department does not have a formal risk management strategy and process in place with respect to risk management. During the audit it was however found that a first time risk assessment was undertaken by the centralised Risk Management Unit and the consortium - Sihluma Sonke.

Section 3.2.1 of the National Treasury Regulations further states that the accounting officer must ensure that a risk assessment is conducted regularly to identify emerging risks of the institution. A risk management strategy which must be used to direct internal audit effort and priority, and to determine the skills required of managers and staff to improve controls and to manage these risks has not been developed.

5.10 Inventory management

5.10.1 Inventory value at year-end

The following shortcomings were noted during the audit of the inventory balance at year-end:

- (a) Planned inventory count attendance by auditors did not materialise due to miscommunication between head office and the affected hospitals and institutions;
- (b) Deviations from the prescribed inventory count processes were noted at various hospitals and institutions audited; and
- (c) Audit test counts performed by comparing physical inventory to recorded inventory (on the system) resulted in various differences. It was not possible to verify whether these test count differences were adjusted to the inventory system as various hospitals/institutions have not submitted finalised inventory reports for audit.

Consequently the validity, accuracy and completeness of the inventory balances disclosed in the management report could not be determined.

5.10.2 Inventory control weaknesses

The following shortcomings over the general control over inventory were noted:

- (a) Certain issue vouchers and delivery notes were not reviewed when items were received or issued;
- (b) The value of slow-moving, obsolete or damaged inventory was not always adjusted to the inventory system; and
- (c) Manual inventory cards maintained in the stores had not been regularly updated during the financial year.

5.11 Non-compliance with laws and regulations

- 5.11.1 A review of the monthly monitoring of financial information revealed that expenditure reports relating to the Cape Medical Depot (CMD) are sent to the department. However, this information is not presented to Provincial Treasury by the accounting officer of the department, as required by section 19.8.1 of the Treasury Regulations.
- 5.11.2 At 11 institutions audited, invoices were not always paid within 30 days from the date the invoice was received. In many instances, the institutions had valid reasons for delaying payment as it usually related to errors on the invoices which the suppliers did not rectify. Since the institutions did not always maintain an audit trail of the dates when these queries were finalised, audit was unable to determine whether the institutions paid the invoices within 30 days after the queries were finalised, as required by section 8.2.3 of the Treasury Regulations.
- 5.11.3 Related party disclosure has not been included in the financial statements as required by the National Treasury guide for financial statements. The accounting officer has indicated the reasons for the non-disclosure on page 96 of his report.
- 5.11.4 A detailed five-year infrastructure plan was required to be submitted to the Provincial Treasury by 31 July 2005 in terms of section 37(1)(a) of the Division of Revenue Act, however, the plan was only approved by management on 11 September 2005.
- 5.11.5 Evidence to substantiate that monthly and quarterly reports for the Hospital Revitalisation program grant, were submitted to the National Department of Health by the department before the 15th of the month following the reporting month (monthly reports) and before the 30th of the month following the reporting period (quarterly reports), as required by the Division of Revenue Act framework, could not be submitted for audit purposes.
- 5.11.6 Evidence to substantiate that the Project Implementation Plans (PIP) of certain hospitals, funded by the hospital revitalisation conditional grant, were approved by the National Department of Health before the first transfer of funds occurred, as required by the Division of Revenue Act framework, could not be submitted for audit purposes.

5.12 General control environment weaknesses

5.12.1 Supporting documentation

Supporting documentation of transactions for various account balances, valued at R4 million, were not submitted for audit purposes due to inadequate filing systems.

5.12.2 Misallocation of expenditure

Expenditure amounting to R1,1 million was incorrectly classified as either capital or current expenditure.

5.12.3 Ineffective monitoring and checking of approved tenders/contracts

The approved tender/contract prices are not checked to invoices submitted by suppliers, as copies of these tenders/contracts are not always filed at the hospitals/institutions where payments are approved.

5.12.4 Management of staff and tenant debt

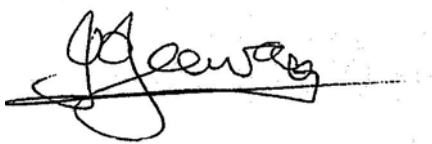
The debtors system is unable to generate debtor's ageing analysis reports in respect of the two categories of debt, which impedes the follow-up and recovery of staff debt.

5.12.5 Accounting for inventory losses

Other losses disclosed in note 6.2 of the financial statements represents inventory losses amounting to R103,000 written off at Lentegour Hospital only. An inventory report obtained indicated a balance amounting to R3 million for inventory losses based on year-end inventory counts performed, written off by various institutions, was not accounted for in the financial statements. The accounting treatment and consequent disclosure of inventory losses, therefore appears inconsistent within the department.

6. APPRECIATION

The assistance rendered by the staff of the Department of Health during the audit is sincerely appreciated.



I JEEWA *for* Auditor-General

Cape Town

31 July 2006



A U D I T O R - G E N E R A L

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

ACCOUNTING POLICIES
for the year ended 31 March 2006

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 1 of 2005.

1. Presentation of the Financial Statements

1.1 Basis of preparation

The Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid or when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

1.2 Presentation currency

All amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.

1.3 Rounding

Unless otherwise stated all financial figures have been rounded to the nearest one thousand Rand (R'000).

1.4 Comparative figures

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

A comparison between actual and budgeted amounts per major classification of expenditure is included in the appropriation statement.

2. Revenue

2.1 Appropriated funds

Appropriated funds are recognised in the financial records on the date the appropriation becomes effective. Adjustments to the appropriated funds made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

Total appropriated funds are presented in the statement of financial performance.

Unexpended appropriated funds are surrendered to the Provincial Revenue Fund, unless approval has been given by the Provincial Treasury to rollover the funds to the subsequent financial year. These rollover funds form part of retained funds in the annual financial statements. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position.

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

ACCOUNTING POLICIES
for the year ended 31 March 2006

2.2 Departmental revenue

All departmental revenue is paid into the Provincial Revenue Fund when received, unless otherwise stated. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position.

2.2.1 Tax revenue

Tax revenue consists of all compulsory unrequited amounts collected by the department in accordance with laws and or regulations (excluding fines, penalties & forfeits).

Tax receipts are recognised in the statement of financial performance when received.

2.2.2 Sales of goods and services other than capital assets

The proceeds received from the sale of goods and/or the provision of services is recognised in the statement of financial performance when the cash is received.

2.2.3 Fines, penalties & forfeits

Fines, penalties & forfeits are compulsory unrequited amounts which were imposed by a court or quasi-judicial body and collected by the department. Revenue arising from fines, penalties and forfeits is recognised in the statement of financial performance when the cash is received.

2.2.4 Interest, dividends and rent on land

Interest, dividends and rent on land is recognised in the statement of financial performance when the cash is received.

2.2.5 Sale of capital assets

The proceeds received on sale of capital assets are recognised in the statement of financial performance when the cash is received.

2.2.6 Financial transactions in assets and liabilities

Repayments of loans and advances previously extended to employees and public corporations for policy purposes are recognised as revenue in the statement of financial performance on receipt of the funds. Amounts receivable at the reporting date are disclosed in the disclosure notes to the annual financial statements.

Cheques issued in previous accounting periods that expire before being banked are recognised as revenue in the statement of financial performance when the cheque becomes stale. When the cheque is reissued the payment is made from Revenue.

2.2.7 Gifts, donations and sponsorships (transfers received)

All cash gifts, donations and sponsorships are paid into the Provincial Revenue Fund and recorded as revenue in the statement of financial performance when received. Amounts receivable at the reporting date are disclosed in the disclosure notes to the financial statements.

All in-kind gifts, donations and sponsorships are disclosed at fair value in the annexures to the financial statements.

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

ACCOUNTING POLICIES
for the year ended 31 March 2006

2.3 Local and foreign aid assistance

Local and foreign aid assistance is recognised in the financial records when notification of the donation is received from the National Treasury or when the department directly receives the cash from the donor(s). The total cash amounts received during the year is reflected in the statement of financial performance as revenue.

All in-kind local and foreign aid assistance are disclosed at fair value in the annexures to the annual financial statements.

The cash payments made during the year relating to local and foreign aid assistance projects are recognised as expenditure in the statement of financial performance. A receivable is recognised in the statement of financial position to the value of the amounts expended prior to the receipt of the funds.

A payable is raised in the statement of financial position where amounts have been inappropriately expended using local and foreign aid assistance. Unutilised amounts are recognised in the statement of financial position.

3. Expenditure

3.1 Compensation of employees

Salaries and wages comprise payments to employees. Salaries and wages are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). Capitalised compensation forms part of the expenditure for capital assets in the statement of financial performance¹⁹.

All other payments are classified as current expense.

Social contributions include the entities' contribution to social insurance schemes paid on behalf of the employee. Social contributions are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system.

3.1.1 Short-term employee benefits

Short-term employee benefits comprise of leave entitlements (capped leave), thirteenth cheques and performance bonuses. The cost of short-term employee benefits is expensed as salaries and wages in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the notes to the financial statements. These amounts are not recognised in the statement of financial performance.

3.1.2 Long-term employee benefits

3.1.2.1 Termination benefits

Termination benefits such as severance packages are recognised as an expense in the statement of financial performance as a transfer when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

¹⁹ This accounting policy is only relevant where the department elects to capitalise the compensation paid to employees involved on capital projects.

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

ACCOUNTING POLICIES
for the year ended 31 March 2006

3.1.2 Post employment retirement benefits

The department provides retirement benefits (pension benefits) for certain of its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when the final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year). No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the Provincial Revenue Fund and not in the financial statements of the employer department.

The department provides medical benefits for certain of its employees. Employer contributions to the medical funds are expensed when the final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year).

3.2 Goods and services

Payments made for goods and/or services are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). The expense is classified as capital if the goods and services were used on a capital project.

3.3 Interest and rent on land

Interest and rental payments are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). This item excludes rental for the use of buildings or other fixed structures.

3.4 Financial transactions in assets and liabilities

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or underspending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but amounts are disclosed as a disclosure note.

All other losses are recognised when authorisation has been granted for the recognition thereof.

3.5 Unauthorised expenditure

When discovered unauthorised expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

Unauthorised expenditure approved with funding is recognised in the statement of financial performance when the unauthorised expenditure is approved and the related funds are received. Where the amount is approved without funding it is recognised as expenditure, subject to availability of savings, in the statement of financial performance on the date of approval.

3.6 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

ACCOUNTING POLICIES
for the year ended 31 March 2006

3.7 Irregular expenditure

Irregular expenditure is recognised as expenditure in the statement of financial performance. If the expenditure is not condoned by the relevant authority it is treated as an asset until it is recovered or written off as irrecoverable.

3.8 Transfers and subsidies

Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

3.9 Expenditure for capital assets

Payments made for capital assets are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

4. Assets

4.1 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

4.2 Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made.

4.3 Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party.

Revenue receivable not yet collected is included in the disclosure notes. Amounts that are potentially irrecoverable are included in the disclosure notes.

4.4 Investments

Capitalised investments are shown at cost in the statement of financial position. Any cash flows such as dividends received or proceeds from the sale of the investment are recognised in the statement of financial performance.

Investments are tested for an impairment loss whenever events or changes in circumstances indicate that the investment may be impaired. Any impairment loss is included in the disclosure notes.

4.5 Loans

Loans are recognised in the statement of financial position at the nominal amount. Amounts that are potentially irrecoverable are included in the disclosure notes.

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

ACCOUNTING POLICIES
for the year ended 31 March 2006

4.6 Inventory

Inventories on hand at the reporting date have been disclosed in the management report.

4.7 Asset Registers

Assets are recorded in an asset register, at cost, on receipt of the item. Cost of an asset is defined as the total cost of acquisition. Assets procured in previous financial periods, may be stated at fair value, where determinable, or R1, in instances where the original cost of acquisition or fair value cannot be established. No revaluation or impairment of assets is currently recognised in the asset register. Projects (of construction/development) running over more than one financial year relating to assets, are only brought into the asset register on completion of the project and at the total cost incurred over the duration of the project.

Annexure 4 and 5 of the disclosure notes, reflect the total movement in the asset register of assets with a cost equal to and exceeding R5000 (therefore capital assets only) for the current financial year. The movement is reflected at the cost as recorded in the asset register and not the carrying value, as depreciation is not recognized in the financial statements under the modified cash basis of accounting. The opening balance reflected on Annexure 4 and 5 will include items procured in prior accounting periods and the closing balance will represent the total cost of the register for capital assets on hand.

5. Liabilities

5.1 Payables

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are recognised at historical cost in the statement of financial position.

5.2 Lease commitments

Lease commitments represent amounts owing from the reporting date to the end of the lease contract. These commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

Operating and finance lease commitments are expensed when the payments are made. Assets acquired in terms of finance lease agreements are disclosed in the annexures to the financial statements.

5.3 Accruals

Accruals represent goods/services that have been received, but where no invoice has been received from the supplier at the reporting date, or where an invoice has been received but final authorisation for payment has not been effected on the system.

Accruals are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

5.4 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the department; or

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

ACCOUNTING POLICIES
for the year ended 31 March 2006

A contingent liability is a present obligation that arises from past events but is not recognised because:

- It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- The amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are included in the disclosure notes.

5.5 Commitments

Commitments represent goods/services that have been approved and/or contracted, but where no delivery has taken place at the reporting date.

Commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

6. Net Assets

6.1 Capitalisation reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are transferred to the National/Provincial Revenue Fund on disposal, repayment or recovery of such amounts.

6.2 Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made and recognised in a previous financial year becomes recoverable from a debtor.

7. Related party transactions

Related parties are departments that control or significantly influence the department in making financial and operating decisions. Specific information with regards to related party transactions is included in the disclosure notes.

8. Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department.

Compensation paid to key management personnel including their family members where relevant, is included in the disclosure notes.

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

ACCOUNTING POLICIES
for the year ended 31 March 2006

9. Public private partnerships

A public private partnership (PPP) is a commercial transaction between the department and a private party in terms of which the private party:

- Performs an institutional function on behalf of the institution; and/or
- acquires the use of state property for its own commercial purposes; and
- assumes substantial financial, technical and operational risks in connection with the performance of the institutional function and/or use of state property; and
- receives a benefit for performing the institutional function or from utilizing the state property, either by way of:
 - consideration to be paid by the department which derives from a Revenue Fund;
 - charges fees to be collected by the private party from users or customers of a service provided to them; or
 - a combination of such consideration and such charges or fees.

A description of the PPP arrangement, the contract fees and current and capital expenditure relating to the PPP arrangement is included in the disclosure notes.

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

APPROPRIATION STATEMENT
for the year ended 31 March 2006

Appropriation per Programme									
	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration									
Current payment	142,221	-	(21,538)	120,683	120,529	154	99.9	155,836	153,986
Transfers and subsidies	20,798	-	1	20,799	19,407	1,392	93.3	8,353	6,029
Payment for capital assets	19,125	-	8,265	27,390	27,355	35	99.9	53,330	53,301
2. District Health Services									
Current payment	1,312,142	-	(7,298)	1,304,844	1,297,618	7,226	99.4	1,039,677	1,054,957
Transfers and subsidies	308,379	-	328	308,707	308,196	511	99.8	265,899	263,460
Payment for capital assets	19,958	-	6,970	26,928	24,137	2,791	89.6	13,206	11,980
3. Emergency Medical Services									
Current payment	222,624	-	(4,711)	217,913	217,824	89	100.0	153,899	153,329
Transfers and subsidies	12,450	-	-	12,450	12,278	172	98.6	39,014	41,281
Payment for capital assets	20,035	-	5,714	25,749	25,749	-	100.0	6,328	3,560
4. Provincial Hospital Services									
Current payment	1,208,791	-	38	1,208,829	1,208,538	291	100.0	1,100,113	1,097,895
Transfers and subsidies	67,318	-	541	67,859	66,734	1,125	98.3	70,951	72,379
Payment for capital assets	11,922	-	8,711	20,633	20,633	-	100.0	6,436	6,367
5. Central Hospital Services									
Current payment	1,853,391	-	1,229	1,854,620	1,863,190	(8,570)	100.5	1,734,335	1,727,421
Transfers and subsidies	48,324	-	297	48,621	46,193	2,428	95.0	45,229	49,243
Payment for capital assets	61,768	-	9,567	71,335	71,322	13	100.0	26,555	29,254
6. Health Science and Training									
Current payment	39,929	-	(3,766)	36,163	35,959	204	99.4	44,655	42,801
Transfers and subsidies	42,917	-	41	42,958	42,339	619	98.6	29,841	30,331
Payment for capital assets	802	-	64	866	711	155	82.1	422	409
7. Health Care Support Services									
Current payment	83,826	-	331	84,157	83,901	256	99.7	79,102	77,611
Transfers and subsidies	5,426	-	2,223	7,649	7,451	198	97.4	4,429	4,426
Payment for capital assets	951	-	915	1,866	1,723	143	92.3	733	715
8. Health Facility Management									
Current payment	55,538	-	(8,585)	46,953	43,454	3,499	92.5	-	-
Payment for capital assets	218,187	-	663	218,850	173,571	45,279	79.3	-	-
Total	5,776,822	-	-	5,776,822	5,718,812	58,010	99.0	4,878,343	4,880,735
Reconciliation with Statement of Financial Performance									
Add:				48,604	-			-	-
Prior year unauthorised expenditure approved with funding				22,208	-			33,005	-
Departmental receipts				20,745	-			13,853	-
Local and foreign aid assistance				5,868,379	-			4,925,201	-
Actual amounts per Statement of Financial Performance (Total Revenue)					19,540				9,253
Add:					48,604				-
Local and foreign aid assistance					5,786,956				4,889,988
Actual amounts per Statement of Financial Performance Expenditure									

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

APPROPRIATION STATEMENT
for the year ended 31 March 2006

Appropriation per Economic classification									
	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	3,111,282	-	(109,895)	3,001,387	2,976,610	24,777	99.2	2,807,272	2,799,467
Goods and services	1,807,180	-	63,695	1,870,875	1,892,503	(21,628)	101.2	1,499,855	1,508,050
Financial transactions in assets and liabilities	-	-	1,900	1,900	1,900	-	100.0	490	483
Transfers & subsidies									
Provinces & municipalities	219,162	-	-	219,162	225,571	(6,409)	102.9	231,943	228,132
Departmental agencies & accounts	7,132	-	2,200	9,332	9,263	69	99.3	5,678	5,976
Universities & technikons	57,836	-	-	57,836	54,429	3,407	94.1	53,420	56,979
Non-profit institutions	159,603	-	-	159,603	152,143	7,460	95.3	135,124	140,533
Households	61,879	-	1,231	63,110	61,192	1,918	97.0	37,551	35,529
Payment for capital assets									
Buildings & other fixed structures	200,287	-	3,191	203,478	163,879	39,599	80.5	-	-
Machinery & equipment	152,385	-	37,571	189,956	181,127	8,829	95.4	106,858	105,436
Software & other intangible assets	76	-	107	183	195	(12)	106.6	152	150
Total	5,776,822	-	-	5,776,822	5,718,812	58,010	99.0	4,878,343	4,880,735

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

APPROPRIATION STATEMENT
for the year ended 31 March 2006

Detail per programme 1 – Administration
for the year ended 31 March 2006

Programme per sub-programme	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Office of the Minister									
Current payment	3,853	-	(372)	3,481	3,460	21	99.4	3,101	2,871
Transfers and subsidies	55	-	-	55	55	-	100.0	9	8
Payment for capital assets	41	-	-	41	20	21	48.8	467	457
1.2 Management									
Current payment	138,368	-	(21,166)	117,202	117,069	133	99.9	152,735	151,115
Transfers and subsidies	20,743	-	1	20,744	19,352	1,392	93.3	8,344	6,021
Payment for capital assets	19,084	-	8,265	27,349	27,335	14	99.9	52,863	52,844
Total	182,144	-	(13,272)	168,872	167,291	1,581	99.1	217,519	213,316

Economic classification	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	78,717	-	(11,543)	67,174	67,174	-	100.0	100,944	100,869
Goods and services	63,504	-	(10,343)	53,161	53,007	154	99.7	54,844	53,071
Financial transactions in assets and liabilities	-	-	348	348	348	-	100.0	48	46
Transfers & subsidies									
Provinces & municipalities	192	-	-	192	153	39	79.7	251	250
Universities & technikons	2,544	-	-	2,544	2,330	214	91.6	2,220	2,150
Households	18,062	-	1	18,063	16,924	1,139	93.7	5,882	3,629
Payment for capital assets									
Machinery & equipment	19,097	-	8,163	27,260	27,225	35	99.9	53,316	53,288
Software & other intangible assets	28	-	102	130	130	-	100.0	14	13
Total	182,144	-	(13,272)	168,872	167,291	1,581	99.1	217,519	213,316

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

APPROPRIATION STATEMENT
for the year ended 31 March 2006

Detail per programme 2 – District Health Services
for the year ended 31 March 2006

Programme per sub-programme	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 District Management									
Current payment	81,159	-	(19)	81,140	85,837	(4,697)	105.8	22,275	26,208
Transfers and subsidies	199	-	78	277	332	(55)	119.9	130	117
Payment for capital assets	1,613	-	824	2,437	2,437	-	100.0	658	658
2.2 Community Health Clinics									
Current payment	124,679	-	(1,300)	123,379	107,403	15,976	87.1	95,293	91,409
Transfers and subsidies	195,101	-	39	195,140	206,208	(11,068)	105.7	173,157	173,083
Payment for capital assets	1,500	-	1,261	2,761	2,761	-	100.0	584	584
2.3 Community Health Centres									
Current payment	505,915	-	1,983	507,898	511,635	(3,737)	100.7	434,028	437,118
Transfers and subsidies	3,800	-	211	4,011	4,109	(98)	102.4	3,444	3,443
Payment for capital assets	6,057	-	-	6,057	5,511	546	91.0	1,324	1,324
2.4 Community Based Services									
Current payment	33,507	-	(2,092)	31,415	30,490	925	97.1	23,240	26,469
Transfers and subsidies	17,683	-	-	17,683	12,988	4,695	73.4	9,462	10,068
Payment for capital assets	188	-	-	188	21	167	11.2	27	17
2.5 Other Community Services									
Current payment	53,332	-	(2,317)	51,015	50,329	686	98.7	47,812	45,960
Transfers and subsidies	937	-	-	937	723	214	77.2	236	26
Payment for capital assets	707	-	1,317	2,024	2,024	-	100.0	1,482	1,473
2.6 HIV and AIDS									
Current payment	78,927	-	-	78,927	90,311	(11,384)	114.4	53,435	59,422
Transfers and subsidies	36,896	-	-	36,896	32,116	4,780	87.0	35,950	34,717
Payment for capital assets	200	-	-	200	228	(28)	114.0	734	255
2.7 Nutrition									
Current payment	10,100	-	-	10,100	8,685	1,415	86.0	8,617	8,309
Transfers and subsidies	4,470	-	-	4,470	4,624	(154)	103.4	7,561	6,954
Payment for capital assets	241	-	-	241	391	(150)	162.2	333	179
2.8 Coroner									
Current payment	7,652	-	-	7,652	1,538	6,114	20.1	707	564
Transfers and subsidies	2	-	-	2	1	1	50.0	2	1
Payment for capital assets	2,704	-	-	2,704	465	2,239	17.2	279	278
2.9 District Hospitals									
Current payment	389,684	-	(3,553)	386,131	386,123	8	100.0	343,895	350,210
Transfers and subsidies	23,141	-	-	23,141	23,045	96	99.6	21,308	21,962
Payment for capital assets	6,348	-	3,568	9,916	9,916	-	100.0	4,505	4,477
2.10 Global Funding									
Current payment	27,187	-	-	27,187	25,267	1,920	92.9	10,375	9,288
Transfers and subsidies	26,150	-	-	26,150	24,050	2,100	92.0	14,649	13,089
Payment for capital assets	400	-	-	400	383	17	95.8	3,280	2,735
Total	1,640,479	-	-	1,640,479	1,629,951	10,528	99.4	1,318,782	1,330,397

Economic classification	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	772,063	-	(20,084)	751,979	732,167	19,812	97.4	611,943	615,784
Goods and services	540,079	-	12,683	552,762	565,348	(12,586)	102.3	427,701	439,142
Financial transactions in assets and liabilities	-	-	103	103	103	-	100.0	33	31
Transfers & subsidies									
Provinces & municipalities	212,738	-	-	212,738	219,456	(6,718)	103.2	187,354	185,497
Universities & technikons	2,695	-	-	2,695	2,695	-	100.0	2,461	2,461
Non-profit institutions	91,929	-	-	91,929	84,775	7,154	92.2	74,927	74,347
Households	1,017	-	328	1,345	1,270	75	94.4	1,157	1,155
Payment for capital assets									
Machinery & equipment	19,958	-	6,965	26,923	24,132	2,791	89.6	13,075	11,850
Software & other intangible assets	-	-	5	5	5	-	100.0	131	130
Total	1,640,479	-	-	1,640,479	1,629,951	10,528	99.4	1,318,782	1,330,397

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

APPROPRIATION STATEMENT
for the year ended 31 March 2006

Detail per programme 3 – Emergency Medical Services
for the year ended 31 March 2006

Programme per sub-programme	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 Emergency Transport									
Current payment	216,844	-	(4,711)	212,133	212,107	26	100.0	153,898	153,329
Transfers and subsidies	12,446	-	-	12,446	12,274	172	98.6	39,014	41,281
Payment for capital assets	20,035	-	5,714	25,749	25,749	-	100.0	6,328	3,560
3.2 Planned Patient Transport									
Current payment	5,780	-	-	5,780	5,717	63	98.9	1	-
Transfers and subsidies	4	-	-	4	4	-	100.0	-	-
Total	255,109	-	1,003	256,112	255,851	261	99.9	199,241	198,170

Economic classification	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	158,982	-	(1,337)	157,645	157,556	89	99.9	114,382	113,814
Goods and services	63,642	-	(4,165)	59,477	59,477	-	100.0	39,259	39,258
Financial transactions in assets and liabilities	-	-	791	791	791	-	100.0	258	257
Transfers & subsidies									
Provinces & municipalities	504	-	-	504	353	151	70.0	34,575	32,585
Non-profit institutions	11,836	-	-	11,836	11,835	1	100.0	4,439	8,696
Households	110	-	-	110	90	20	81.8	-	-
Payment for capital assets									
Buildings & other fixed structures	5,600	-	2,528	8,128	8,128	-	100.0	-	-
Machinery & equipment	14,435	-	3,186	17,621	17,621	-	100.0	6,328	3,560
Total	255,109	-	1,003	256,112	255,851	261	99.9	199,241	198,170

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

APPROPRIATION STATEMENT
for the year ended 31 March 2006

Detail per programme 4 – Provincial Hospital Services
for the year ended 31 March 2006

Programme per sub-programme	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1 General Hospitals									
Current payment	773,879	-	6,123	780,002	779,857	145	100.0	744,376	744,289
Transfers and subsidies	2,655	-	81	2,736	2,654	82	97.0	2,499	2,498
Payment for capital assets	9,144	-	3,770	12,914	12,914	-	100.0	4,024	3,955
4.2 TB Hospitals									
Current payment	55,309	-	1,848	57,157	57,157	-	100.0	44,756	44,485
Transfers and subsidies	8,488	-	26	8,514	8,495	19	99.8	17,034	17,133
Payment for capital assets	441	-	23	464	464	-	100.0	431	431
4.3 Psychiatric/Mental Hospitals									
Current payment	282,714	-	(7,142)	275,572	275,426	146	99.9	256,360	254,419
Transfers and subsidies	1,696	-	371	2,067	1,844	223	89.2	1,116	1,115
Payment for capital assets	863	-	927	1,790	1,790	-	100.0	676	676
4.4 Chronic Medical Hospitals									
Current payment	51,664	-	(3,265)	48,399	48,399	-	100.0	11,243	10,126
Transfers and subsidies	47,079	-	46	47,125	46,815	310	99.3	43,203	44,939
Payment for capital assets	352	-	1,003	1,355	1,355	-	100.0	200	200
4.5 Dental Training Hospitals									
Current payment	45,225	-	2,474	47,699	47,699	-	100.0	43,378	44,576
Transfers and subsidies	7,400	-	17	7,417	6,926	491	93.4	7,099	6,694
Payment for capital assets	1,122	-	2,988	4,110	4,110	-	100.0	1,105	1,105
Total	1,288,031	-	9,290	1,297,321	1,295,905	1,416	99.9	1,177,500	1,176,641

Economic classification	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	849,105	-	(39,905)	809,200	805,659	3,541	99.6	780,650	776,942
Goods and services	359,686	-	39,733	399,419	402,669	(3,250)	100.8	319,418	320,909
Financial transactions in assets and liabilities	-	-	210	210	210	-	100.0	45	44
Transfers & subsidies									
Provinces & municipalities	2,196	-	-	2,196	2,217	(21)	101.0	6,480	6,565
Universities & technikons	7,717	-	-	7,717	6,877	840	89.1	6,925	6,539
Non-profit institutions	55,838	-	-	55,838	55,533	305	99.5	55,758	57,490
Households	1,567	-	541	2,108	2,107	1	100.0	1,788	1,785
Payment for capital assets									
Machinery & equipment	11,922	-	8,711	20,633	20,633	-	100.0	6,429	6,360
Software & other intangible assets	-	-	-	-	-	-	-	7	7
Total	1,288,031	-	9,290	1,297,321	1,295,905	1,416	99.9	1,177,500	1,176,641

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

APPROPRIATION STATEMENT
for the year ended 31 March 2006

Detail per programme 5 – Central Hospital Services
for the year ended 31 March 2006

Programme per sub-programme	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
5.1 Central Hospital Services									
Current payment	1,853,391	-	1,229	1,854,620	1,863,190	(8,570)	100.5	1,734,335	1,727,421
Transfers and subsidies	48,324	-	297	48,621	46,193	2,428	95.0	45,229	49,243
Payment for capital assets	61,768	-	9,567	71,335	71,322	13	100.0	26,555	29,254
Total	1,963,483	-	11,093	1,974,576	1,980,705	(6,129)	100.3	1,806,119	1,805,918

Economic classification	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	1,177,124	-	(29,694)	1,147,430	1,146,347	1,083	99.9	1,124,598	1,117,994
Goods and services	676,267	-	30,540	706,807	716,460	(9,653)	101.4	609,637	609,327
Financial transactions in assets and liabilities	-	-	383	383	383	-	100.0	100	100
Transfers & subsidies									
Provinces & municipalities	3,322	-	-	3,322	3,222	100	97.0	3,026	3,025
Universities & technikons	42,588	-	-	42,588	40,260	2,328	94.5	40,114	44,129
Households	2,414	-	297	2,711	2,711	-	100.0	2,089	2,089
Payment for capital assets									
Machinery & equipment	61,720	-	9,567	71,287	71,275	12	100.0	26,555	29,254
Software & other intangible assets	48	-	-	48	47	1	97.9	-	-
Total	1,963,483	-	11,093	1,974,576	1,980,705	(6,129)	100.3	1,806,119	1,805,918

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

APPROPRIATION STATEMENT
for the year ended 31 March 2006

Detail per programme 6 – Health Science and Training
for the year ended 31 March 2006

Programme per sub-programme	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
6.1 Nursing Training College									
Current payment	32,387	-	(2,389)	29,998	29,998	-	100.0	39,244	38,199
Transfers and subsidies	2,444	-	41	2,485	2,430	55	97.8	1,876	1,830
Payment for capital assets	539	-	-	539	384	155	71.2	229	222
6.2 Emergency Medical Services Training College									
Current payment	2,985	-	(212)	2,773	2,773	-	100.0	2,780	2,557
Transfers and subsidies	4	-	-	4	4	-	100.0	5	4
Payment for capital assets	263	-	64	327	327	-	100.0	193	187
6.3 Bursaries									
Current payment	3,343	-	-	3,343	3,140	203	93.9	1,176	895
Transfers and subsidies	38,502	-	-	38,502	37,958	544	98.6	26,385	26,624
6.4 Primary Health Care Training									
Current payment	1	-	-	1	-	1	-	1	-
6.5 Training Other									
Current payment	1,213	-	(1,165)	48	48	-	100.0	1,454	1,150
Transfers and subsidies	1,967	-	-	1,967	1,947	20	99.0	1,575	1,873
Total	83,648	-	(3,661)	79,987	79,009	978	98.8	74,918	73,541

Economic classification	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	29,895	-	(3,107)	26,788	26,787	1	100.0	36,256	35,776
Goods and services	10,034	-	(692)	9,342	9,139	203	97.8	8,399	7,025
Financial transactions in assets and liabilities	-	-	33	33	33	-	100.0	-	-
Transfers & subsidies									
Provinces & municipalities	96	-	-	96	66	30	68.8	162	116
Departmental agencies & accounts	1,967	-	-	1,967	1,947	20	99.0	1,575	1,873
Universities & technikons	2,292	-	-	2,292	2,267	25	98.9	1,700	1,700
Households	38,562	-	41	38,603	38,059	544	98.6	26,404	26,642
Payment for capital assets									
Machinery & equipment	802	-	64	866	711	155	82.1	422	409
Total	83,648	-	(3,661)	79,987	79,009	978	98.8	74,918	73,541

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

APPROPRIATION STATEMENT
for the year ended 31 March 2006

Detail per programme 7 – Health Care Support Services
for the year ended 31 March 2006

Programme per sub-programme	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
7.1 Laundries									
Current payment	37,592	-	(738)	36,854	36,852	2	100.0	36,955	37,298
Transfers and subsidies	56	-	10	66	64	2	97.0	70	69
Payment for capital assets	399	-	915	1,314	1,314	-	100.0	272	264
7.2 Engineering									
Current payment	29,385	-	1,929	31,314	31,314	-	100.0	27,766	26,702
Transfers and subsidies	177	-	-	177	31	146	17.5	107	106
Payment for capital assets	411	-	-	411	275	136	66.9	437	435
7.3 Forensic Services									
Current payment	7,694	-	(418)	7,276	7,205	71	99.0	6,396	6,301
Transfers and subsidies	18	-	-	18	17	1	94.4	139	138
Payment for capital assets	71	-	-	71	66	5	93.0	6	6
7.4 Orthotic & Prosthetic Services									
Current payment	9,155	-	(442)	8,713	8,530	183	97.9	7,985	7,310
Transfers and subsidies	10	-	13	23	23	-	100.0	10	10
Payment for capital assets	70	-	-	70	68	2	97.1	18	10
7.5 Medicine Trading Account									
Transfers and subsidies	5,165	-	2,200	7,365	7,316	49	99.3	4,103	4,103
Total	90,203	-	3,469	93,672	93,075	597	99.4	84,264	82,752

Economic classification	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	45,396	-	(4,225)	41,171	40,920	251	99.4	38,499	38,288
Goods and services	38,430	-	4,524	42,954	42,949	5	100.0	40,597	39,318
Financial transactions in assets and liabilities	-	-	32	32	32	-	100.0	6	5
Transfers & subsidies									
Provinces & municipalities	114	-	-	114	104	10	91.2	95	94
Departmental agencies & accounts	5,165	-	2,200	7,365	7,316	49	99.3	4,103	4,103
Households	147	-	23	170	31	139	18.2	231	229
Payment for capital assets									
Buildings & other fixed structures	-	-	-	-	48	(48)	-	-	-
Machinery & equipment	951	-	915	1,866	1,675	191	89.8	733	715
Total	90,203	-	3,469	93,672	93,075	597	99.4	84,264	82,752

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

APPROPRIATION STATEMENT
for the year ended 31 March 2006

Detail per programme 8 – Health Facility Management
for the year ended 31 March 2006

Programme per sub-programme	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
8.1 Community Health Facilities									
Current payment	5,370	-	(398)	4,972	4,972	-	100.0	-	-
Payment for capital assets	7,491	-	663	8,154	8,154	-	100.0	-	-
8.2 Emergency Medical Rescue									
Payment for capital assets	510	-	-	510	213	297	41.8	-	-
8.3 District Hospital Services									
Current payment	8,723	-	(3,730)	4,993	4,878	115	97.7	-	-
Payment for capital assets	48,409	-	-	48,409	22,761	25,648	47.0	-	-
8.4 Provincial Hospital Services									
Current payment	15,810	-	(1,556)	14,254	14,237	17	99.9	-	-
Payment for capital assets	139,716	-	-	139,716	119,800	19,916	85.7	-	-
8.5 Central Hospital Services									
Current payment	22,000	-	-	22,000	18,654	3,346	84.8	-	-
Payment for capital assets	14,698	-	-	14,698	17,477	(2,779)	118.9	-	-
8.6 Other Facilities									
Current payment	3,635	-	(2,901)	734	713	21	97.1	-	-
Payment for capital assets	7,363	-	-	7,363	5,166	2,197	70.2	-	-
Total	273,725	-	(7,922)	265,803	217,025	48,778	81.6	-	-

Economic classification	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Goods and services	55,538	-	(8,585)	46,953	43,454	3,499	92.5	-	-
Payment for capital assets									
Buildings & other fixed structures	194,687	-	663	195,350	155,703	39,647	79.7	-	-
Machinery & equipment	23,500	-	-	23,500	17,855	5,645	76.0	-	-
Software & other intangible assets	-	-	-	-	13	(13)	-	-	-
Total	273,725	-	(7,922)	265,803	217,025	48,778	81.6	-	-

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2006

1. Detail of transfers and subsidies as per Appropriation Act (after Virement):

Detail of these transactions can be viewed in note 7 (Transfers and subsidies) and Annexure 1 (F-L) to the annual financial statements.

2. Detail of specifically and exclusively appropriated amounts voted (after Virement):

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the annual financial statements.

3. Detail on financial transactions in assets and liabilities

Detail of these transactions can be viewed in note 6 (Details of special functions (theft and losses)) to the annual financial statements.

4. Explanations of material variances from Amounts Voted (after virement):

4.1 Per programme:

Programme name	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Administration	168,872	167,291	1,581	0.94
Saving due to: provision which was made for Medico and Legal Claims which was not fully utilised.				
District Health Services	1,640,479	1,629,951	10,528	0.64
Saving as a result of the Forensic Pathology Services Conditional Grant which was received very late in the Financial year and could therefore not be spent in full. The appointment of permanent staff was also delayed.				
Emergency Medical Services	256,112	255,851	261	0.10
Provincial Hospital Services	1,297,321	1,295,905	1,416	0.11
Savings as a result of posts advertised but not yet filled.				
Central Hospital Services	1,974,576	1,980,705	-6,129	-0.31
Overspending due to increased pressure on Laboratory services, Maintenance and Repairs to Medical equipment.				
Health Science and Training	79,987	79,009	978	1.22
Saving as a result of payments of which cannot be effected due to the non-submission of prescribed documents by bursars.				
Health Care Support Services	93,672	93,075	597	0.64
Saving due to late appointments.				
Health Facility Management	265,803	217,025	48,778	18.35
Savings occurred within the Conditional Grant - Hospital Revitalisation due to slow performance of contractors on various projects. Delays were also experienced in the approval of certain business cases.				

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2006

4.2 Per economic classification:

	R'000
Compensation of employees	2,976,610
Goods and services	1,892,503
Financial transactions in assets and liabilities	1,900
Transfers and subsidies	
Provinces and municipalities	225,571
Departmental agencies and accounts	9,263
Universities and technikons	54,429
Non-profit institutions	152,143
Households	61,192
Payments for capital assets	
Buildings and other fixed structures	163,879
Machinery and equipment	181,127
Software and other intangible assets	195

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2006

	Notes	2005/06 R'000	2004/05 R'000
REVENUE			
Annual appropriation	1	5,776,822	4,878,343
Appropriation for unauthorised expenditure approved		48,604	-
Departmental revenue	2	22,208	33,005
Local and foreign aid assistance	3	20,745	13,853
TOTAL REVENUE		5,868,379	4,925,201
EXPENDITURE			
Current expenditure			
Compensation of employees	4	2,976,610	2,799,467
Goods and services	5	1,892,503	1,508,050
Financial transactions in assets and liabilities	6	1,900	483
Local and foreign aid assistance	3	19,507	9,253
Unauthorised expenditure approved	9	48,604	-
Total current expenditure		4,939,124	4,317,253
Transfers and subsidies	7	502,598	467,149
Expenditure for capital assets			
Buildings and other fixed structures	8	163,879	-
Machinery and Equipment	8	181,127	105,436
Software and other intangible assets	8	195	150
Local and foreign aid assistance	3	33	-
Total expenditure for capital assets		345,234	105,586
TOTAL EXPENDITURE		5,786,956	4,889,988
SURPLUS		81,423	35,213
Add back unauthorised expenditure	9	9,965	19,199
SURPLUS FOR THE YEAR		91,388	54,412
Reconciliation of Net Surplus for the year			
Voted Funds	14	67,975	16,807
Departmental revenue	15	22,208	33,005
Local and foreign aid assistance	3	1,205	4,600
SURPLUS FOR THE YEAR		91,388	54,412

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

STATEMENT OF FINANCIAL POSITION
as at 31 March 2006

	Notes	2005/06 R'000	2004/05 R'000
ASSETS			
Current assets		553,484	526,448
Unauthorised expenditure	9	411,459	450,131
Cash and cash equivalents	10	103,470	27,332
Prepayments and advances	11	2,917	2,408
Receivables	12	35,638	46,577
Non-current assets		2	2
Investments	13	2	2
TOTAL ASSETS		553,486	526,450
LIABILITIES			
Current liabilities		548,888	520,426
Voted funds to be surrendered to the Provincial Revenue Fund	14	67,975	16,807
Departmental revenue to be surrendered to the Provincial Revenue Fund	15	13,074	34,668
Payables	16	466,635	464,351
Local and foreign aid assistance unutilised	3	1,204	4,600
TOTAL LIABILITIES		548,888	520,426
NET ASSETS		4,598	6,024
Represented by:			
Recoverable revenue		4,598	6,024
TOTAL		4,598	6,024

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2006

	Notes	2005/06 R'000	2004/05 R'000
Recoverable revenue			
Opening balance		6,024	6,024
Transfers		(1,426)	-
Debts written off	6.5	(23)	-
Debts revised		119	-
Debts recovered (included in departmental receipts)		(2,875)	-
Debts raised		1,353	-
Balance at 31 March		<u>4,598</u>	<u>6,024</u>
TOTAL		<u><u>4,598</u></u>	<u><u>6,024</u></u>

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

CASH FLOW STATEMENT
for the year ended 31 March 2006

	Notes	2005/06 R'000	2004/05 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		6,122,765	5,128,612
Annual appropriated funds received	1.1	5,776,822	4,878,343
Appropriation for unauthorised expenditure received	9	48,604	-
Departmental revenue received		276,594	236,416
Local and foreign aid assistance received	3	20,745	13,853
Net (increase)/ decrease in working capital		8,146	(12,494)
Surrendered to Provincial Revenue Fund		(315,019)	(233,017)
Current payments		(4,890,520)	(4,317,253)
Transfers and subsidies paid		(502,598)	(467,149)
Net cash flow available from operating activities	17	422,774	98,699
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets		(345,234)	(105,586)
Proceeds from sale of capital assets	2.3	24	125
Net cash flows from investing activities		(345,210)	(105,461)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/ (decrease) in net assets		(1,426)	6,024
Net cash flows from financing activities		(1,426)	6,024
Net increase/ (decrease) in cash and cash equivalents		76,138	(738)
Cash and cash equivalents at beginning of period		27,332	28,070
Cash and cash equivalents at end of period	18	103,470	27,332

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

1. Annual Appropriation

1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act for Provincial Departments

	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Appropriation Received 2004/05
	R'000	R'000	R'000	R'000
Programmes				
Administration	168,872	168,872	-	217,519
District Health Services	1,640,479	1,640,479	-	1,318,782
Emergency Medical Services	256,112	256,112	-	199,241
Provincial Hospital Services	1,297,321	1,297,321	-	1,177,500
Central Hospital Services	1,974,576	1,974,576	-	1,806,119
Health Science and Training	79,987	79,987	-	74,918
Health Care Support Services	93,672	93,672	-	84,264
Health Facility Management	265,803	265,803	-	-
Total	5,776,822	5,776,822	-	4,878,343
		Notes	2005/06 R'000	2004/05 R'000
1.2 Conditional grants				
Total grants received	ANNEXURE 1A		1,861,159	1,511,747
Provincial Grants included in Total grants received			<u>1,861,159</u>	<u>1,511,747</u>
2. Departmental revenue to be surrendered to Provincial Revenue Fund				
Tax revenue			-	-
Sales of goods and services other than capital assets	2.1		200,081	221,954
Fines, penalties and forfeits			1	1
Interest, dividends and rent on land	2.2		96	179
Sales of capital assets	2.3		24	125
Financial transactions in assets and liabilities	2.4		8,500	14,282
Transfers received	2.5		67,916	-
Total revenue collected			<u>276,618</u>	<u>236,541</u>
Less: Departmental revenue budgeted	15		<u>254,410</u>	<u>203,536</u>
Total			<u><u>22,208</u></u>	<u><u>33,005</u></u>

Sales of goods and services other than capital assets represent Hospital Fees.
--

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

	Notes	2005/06 R'000	2004/05 R'000
2.1 Sales of goods and services other than capital assets			
Sales of goods and services produced by the department		200,081	221,954
Sales by market establishment		200,081	221,954
Total		200,081	221,954
2.2 Interest, dividends and rent on land			
Interest		96	179
Total		96	179
2.3 Sales of capital assets			
Other capital assets		24	125
Total		24	125
2.4 Financial transactions in assets and liabilities			
Other receipts including recoverable revenue		8,500	-
Transfer received		-	14,282
Total		8,500	14,282
2.5 Transfers received			
International Organisations		57,807	-
Universities and Technikons		10,109	-
Total		67,916	-

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

	Notes	2005/06 R'000	2004/05 R'000
3. Local and foreign aid assistance			
3.1 Assistance received in cash from RDP			
Local			
Assistance received in cash: Other			
Local			
Revenue		1,300	-
Closing Balance		<u>1,300</u>	<u>-</u>
Foreign			
Opening Balance		4,600	-
Revenue		14,845	13,853
Expenditure		19,540	9,253
Current		19,507	9,253
Capital		33	-
Closing Balance		<u>(95)</u>	<u>4,600</u>
Total			
Opening Balance		4,600	-
Revenue		16,145	13,853
Expenditure		19,541	9,253
Current		19,508	9,253
Capital		33	-
Closing Balance		<u>1,204</u>	<u>4,600</u>
Analysis of balance			
Local and foreign aid unutilised		1,204	4,600
Closing balance		<u>(1,204)</u>	<u>(4,600)</u>
4. Compensation of employees			
4.1 Salaries and wages			
Basic salary		2,001,393	1,842,864
Performance award		21,616	8,214
Service Based		9,740	5,756
Compensative/circumstantial		313,696	337,101
Periodic payments		16,639	20,141
Other non-pensionable allowances		257,939	214,568
Total		<u>2,621,023</u>	<u>2,428,644</u>

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

	Notes	2005/06 R'000	2004/05 R'000
4.2 Social contributions			
4.2.1 Employer contributions			
Pension		234,034	254,185
Medical		120,667	115,889
UIF		131	-
Bargaining council		723	745
Official unions and associations		1	1
Insurance		31	3
Total		<u>355,587</u>	<u>370,823</u>
Total compensation of employees		<u>2,976,610</u>	<u>2,799,467</u>
Average number of employees		<u>23,603</u>	<u>23,263</u>

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

	Notes	2005/06 R'000	2004/05 R'000
5. Goods and services			
Advertising		11,030	7,300
Bank charges and card fees		948	853
Bursaries (employees)		3,035	904
Communication		34,185	31,838
Computer services		22,584	24,671
Consultants, contractors and special services		183,962	114,455
Courier and delivery services		692	444
Tracing agents & debt collections		3,404	862
Drivers licences and permits		18	27
Entertainment		501	483
External audit fees	5.1	5,454	3,757
Equipment less than R5 000		31,332	12,475
Freight service		98	-
Honoraria (Voluntary workers)		3	19
Inventory	5.2	893,946	763,469
Legal fees		726	691
Maintenance, repair and running costs		112,710	45,588
Medical services		350,884	308,353
Operating leases		10,346	6,130
Personnel agency fees		2,911	20
Photographic services		11	131
Plant flowers and other decorations		51	14
Printing and publications		442	473
Professional bodies and membership fees		449	256
Resettlement costs		1,238	1,544
Subscriptions		106	83
Owned and leasehold property expenditure		124,987	109,256
Translations and transcriptions		161	67
Transport provided as part of the departmental activities		2,167	2,255
Travel and subsistence	5.3	63,664	49,577
Venues and facilities		1,720	1,266
Protective, special clothing & uniforms		16,633	11,953
Training & staff development		12,105	8,836
Total		<u><u>1,892,503</u></u>	<u><u>1,508,050</u></u>

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

	Notes	2005/06 R'000	2004/05 R'000
5.1	External audit fees		
	Regulatory audits	5,454	3,757
	Total external audit fees	<u>5,454</u>	<u>3,757</u>
5.2	Inventory		
	Strategic stock	616	464
	Domestic Consumables	44,570	46,533
	Food and Food supplies	39,682	34,785
	Fuel, oil and gas	2,965	2,426
	Laboratory consumables	10,942	9,180
	Other consumables	3,776	2,468
	Parts and other maintenance material	22,276	13,173
	Stationery and Printing	23,443	20,638
	Medical Supplies	745,676	633,802
	Total Inventory	<u>893,946</u>	<u>763,469</u>
5.3	Travel and subsistence		
	Local	63,042	49,318
	Foreign	622	259
	Total travel and subsistence	<u>63,664</u>	<u>49,577</u>
6.	Financial transactions in assets and liabilities		
	Material losses through criminal conduct	6.1 -	45
	Other material losses written off	6.2 1,072	333
	Debts written off	6.3 805	105
	Theft	6.4 23	-
	Total	<u>1,900</u>	<u>483</u>

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

	Notes	2005/06 R'000	2004/05 R'000
6.1			
Material losses through criminal conduct			
Nature of losses			
Incident	Disciplinary steps taken/criminal proceedings		
Computers		-	19
Tools		-	11
Cheque Fraud		-	9
Other		-	6
Total		<u>-</u>	<u>45</u>
6.2			
Other material losses written off			
Nature of losses			
Government vehicle losses		969	293
Other losses		103	40
Total		<u>1,072</u>	<u>333</u>
6.3			
Debts written off			
Nature of debts written off			
Salary Overpayments		458	1
Guarantees		58	51
Tax		74	9
Interest		9	8
Nutrition Programme		30	-
Accommodation		104	27
Other		72	9
Total		<u>805</u>	<u>105</u>
6.4			
Theft			
Details of theft			
State Money		22	-
Nebuliser		1	-
Total		<u>23</u>	<u>-</u>
6.5			
Recoverable revenue debts written off			
Miscellaneous Debt		(23)	-
		<u>(23)</u>	<u>-</u>

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

	Notes	2005/06 R'000	2004/05 R'000
7. Transfers and subsidies			
Provinces and municipalities	ANNEXURE 1F	225,571	228,132
Departmental agencies and accounts	ANNEXURE 1G	9,263	5,976
Universities and technikons	ANNEXURE 1H	54,429	56,979
Non-profit institutions	ANNEXURE 1K	152,143	140,533
Households	ANNEXURE 1L	61,192	35,529
Total		<u>502,598</u>	<u>467,149</u>
8. Expenditure on capital assets			
Buildings and other fixed structures	ANNEXURE 4	163,879	-
Machinery and equipment	ANNEXURE 4	181,127	105,436
Software and other intangible assets	ANNEXURE 5	195	150
Total		<u>345,201</u>	<u>105,586</u>
9. Unauthorised expenditure			
9.1 Reconciliation of unauthorised expenditure			
Opening balance		450,131	441,571
Unauthorised expenditure – current year		9,965	19,199
Amounts approved by Provincial Legislature (with funding)		(48,604)	-
Current Expenditure		(48,604)	-
Transfer to receivables for recovery (not approved)		(33)	(10,639)
Unauthorised expenditure awaiting authorisation		<u>411,459</u>	<u>450,131</u>
9.2 Analysis of current unauthorised expenditure			
Incident	Disciplinary steps taken/criminal proceedings	Total	
Over expenditure on Programme 5	No disciplinary steps or criminal proceedings will take place. The matter will be dealt with in a Finance Act.	9,965	
Total		<u>9,965</u>	
10. Cash and cash equivalents			
Consolidated Paymaster General Account		(17,175)	(37,117)
Cash receipts		239	233
Cash on hand		99	68
Cash with commercial banks		120,307	64,148
Total		<u>103,470</u>	<u>27,332</u>

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

					2005/06 R'000	2004/05 R'000
11.	Prepayments and advances					
	Description					
	Travel and subsistence				101	121
	Advances paid to other entities				2,816	2,287
	Total				2,917	2,408
12.	Receivables					
		Less than one year	One to three years	Older than three years	Total	Total
		R'000	R'000	R'000	R'000	R'000
	Staff debtors	12.1	4,396	5,570	2,508	12,474
	Other debtors	12.2	7,616	4,633	-	12,249
	Claims recoverable	Annex 6	1,266	-	9,649	10,915
	Total		13,278	10,203	12,157	35,638
12.1	Staff debtors					
	Salary Reversal Control				546	(205)
	Sal: Deduction Disall Account:CA				26	41
	Sal: Disallowance Account: CA				-	(2)
	Sal: Tax Debt: CA				68	30
	Private Telephone: CA				1	4
	Debt Account: CA				11,833	14,031
	Debt Suspense: CA				-	63
	Total				12,474	13,962
12.2	Other Debtors					
	Disallowance miscellaneous				6,522	6,102
	Disallowance Dishonoured Cheques				4	15
	Disallowance Damage & losses				723	122
	Patient Fees Control Account				-	(1)
	Damage Vehicles: CA				367	344
	Housing Loan Guarantees: CA				-	(9)
	Donor Funds				4,633	-
	Total				12,249	6,573

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

	Notes	2005/06 R'000	2004/05 R'000		
13. Investments					
Current					
Securities other than shares		<u>2</u>	<u>2</u>		
Total current		<u>2</u>	<u>2</u>		
Securities other than shares					
Isaac Chames		<u>2</u>	<u>2</u>		
Total		<u>2</u>	<u>2</u>		
Total non-current		<u>2</u>	<u>2</u>		
14. Voted funds to be surrendered to the Revenue Fund					
Opening balance		16,807	25,553		
Transfer from Statement of Financial Performance		67,975	16,807		
Paid during the year		<u>(16,807)</u>	<u>(25,553)</u>		
Closing balance		<u>67,975</u>	<u>16,807</u>		
15. Departmental revenue to be surrendered to the Provincial Revenue Fund					
Opening balance		34,668	5,591		
Transfer from Statement of Financial Performance		22,208	33,005		
Departmental revenue budgeted	2	254,410	203,536		
Paid during the year		<u>(298,212)</u>	<u>(207,464)</u>		
Closing balance		<u>13,074</u>	<u>34,668</u>		
16. Payables – current					
Description					
		30 Days	30+ Days	2005/06	2004/05
		R'000	R'000	Total	Total
				R'000	R'000
Amounts owing to other entities	ANNEXURE 7	837	1,580	2,417	-
Clearing accounts	16.1	-	464,218	464,218	464,351
Total		<u>837</u>	<u>465,798</u>	<u>466,635</u>	<u>464,351</u>

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

	Notes	2005/06 R'000	2004/05 R'000
16.1 Clearing accounts			
Patient Fee Deposits		716	654
Sal: Regional Service Council		12	8
Sal: Pension Fund		88	24
Sal: Medical Aid		3	(8)
Sal: Income Tax		1,033	915
Sal: Housing		-	2
Sal: Official Unions		1	-
Sal: Garnishee Order		-	51
Sal: Insurance Deductions		2	2
Sal: Bargaining Councils		3	1
Conversion:M/F Difference - One		-	2,384
Advances from Western Cape		458,791	458,791
Advances from Public Entities		636	786
Advances from Public Corporations & Private Entities		750	741
Donor Funds		4,600	-
Claims from other Depts included in Annex 7		(2,417)	-
Total		<u>464,218</u>	<u>464,351</u>
17. Net cash flow available from operating activities			
Net surplus as per Statement of Financial Performance		91,388	54,412
(Increase)/decrease in receivables – current		10,939	(13,587)
(Increase)/decrease in prepayments and advances		(509)	(583)
(Increase)/decrease in other current assets		38,672	(8,560)
Increase/(decrease) in payables – current		(2,284)	(8,963)
Proceeds from sale of capital assets		(24)	(125)
Surrenders to provincial revenue fund		(315,019)	(233,017)
Expenditure on capital assets		345,234	105,586
Departmental revenue budgeted		254,377	203,536
Net cash flow generated by operating activities		<u>422,774</u>	<u>98,699</u>
18. Reconciliation of cash and cash equivalents for cash flow purposes			
Consolidated Paymaster General Account		(17,175)	(37,117)
Cash receipts		239	233
Cash on hand		99	68
Cash with commercial banks		120,307	64,148
Total		<u>103,470</u>	<u>27,332</u>

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

These amounts are not recognised in the Annual Financial Statements and are disclosed to enhance the usefulness of the Annual Financial Statements.

	Notes	2005/06 R'000	2004/05 R'000
19. Contingent liabilities			
Liable to	Nature		
Housing loan guarantees	Employees ANNEXURE 3A	23,749	38,598
Claims against the department	ANNEXURE 3B	128,860	99,788
Other departments (interdepartmental unconfirmed balances)	ANNEXURE 7	1,525	1,168
Other	ANNEXURE 3B	(58)	-
Total		<u>154,076</u>	<u>139,554</u>
20. Commitments			
Current expenditure			
Approved and contracted		70,318	54,477
Approved but not yet contracted		<u>17,208</u>	<u>17,274</u>
		<u>87,526</u>	<u>71,751</u>
Capital expenditure			
Approved and contracted		51,569	6,205
Approved but not yet contracted		<u>2,020</u>	<u>133</u>
		<u>53,589</u>	<u>6,338</u>
Total Commitments		<u>141,115</u>	<u>78,089</u>

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

	Notes	2005/06 R'000	2004/05 R'000
21. Accruals			
		Total	Total
By economic classification	30 Days R'000	30+ Days R'000	R'000
Compensation of employees	1,267	519	1,786
Goods and services	89,393	17,507	106,900
Transfers and subsidies	26,954	9,165	36,119
Buildings and other fixed structures	7,109	93	7,202
Machinery and Equipment	23,410	1,870	25,280
Total		177,287	72,150
Listed by programme level			
Administration		7,213	5,289
District Health Services		46,553	28,359
Emergency Medical Services		3,213	242
Provincial Hospital Services		24,333	13,239
Central Hospital Services		85,308	24,143
Health Sciences and Training		304	165
Health Care Support Service		2,211	713
Health Facility Management		8,152	-
Total		177,287	72,150
Confirmed balances with other departments	ANNEXURE 7	1,065	-
Total		1,065	-
22. Employee benefit provisions			
Leave entitlement		37,127	38,852
Thirteenth cheque		79,600	75,012
Performance awards		33,810	16,767
Capped leave commitments		219,256	219,102
Total		369,793	349,733

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

	Notes	2005/06 R'000	2004/05 R'000		
23. Lease Commitments					
	Land	Buildings & other fixed structures	Machinery and equipment	Total	Total
23.1 Operating leases	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	6,539	6,539	12,502
Later than 1 year and not later than 5 years	-	-	13,820	13,820	1,345
Later than five years	-	-	48	48	11,068
Total present value of lease liabilities	-	-	20,407	20,407	24,915

24. Receivables for departmental revenue

Sales of goods and services other than capital assets

Healthcare provided	535,000	454,540
Total	535,000	454,540

The Department's patient debt amounts to R535 m. Of this amount, R131 m should already have been deleted from the system due to departmental policy and because it is debt older than 3 years. The remaining valid debt is: R404 m. Road Accident Fund (RAF) accounts for 45% of the valid debt. The department estimates that a third of this debt is irrecoverable due to the RAF rules for shared accountability in terms of the RAF Act. The cost of debt recovery is also very high, currently 28% of amounts recovered. The Department therefore considers only 50% of this debt as recoverable on a net basis. However, it may take a number of years to recover this debt. The Department's debt grows by approximately R10 m per month, and this is overwhelmingly due to RAF debt. Individuals account for 36% of the valid debt. The Department estimates that only 26% of this debt is recoverable due to the average low income of the Department's clients. The Department has appointed a debt collector and will proceed to recover the debt with the necessary sensitivity. Medical aids accounts for 13% of the valid debt, of which only 50% is estimated to be recoverable because medical aids on average pay their part of the fees within two to three months. Most of the valid debt is therefore the individuals' share of the cost, and is more difficult to recover. The total recoverable debt is therefore estimated at R158 m.

The credit balance of R11,2 m, included in the balance of R158 m above, is derived from the following:

Duplicate payments received, for e.g. The debtor as well as his Medical Aid paid.

Payments wrongfully allocated, for e.g. Payments received for Account A erroneously allocated to Account B.

Payments and write-offs going through simultaneously. Therefore the balance of R535 m is understated by the value of R11,2 m above.

Debts written off during the year:

Patient Fees written off amounts to R66,122 m.

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

	Notes	2005/06 R'000	2004/05 R'000
25. Irregular expenditure			
25.1 Reconciliation of irregular expenditure			
Opening Balance		154	-
Irregular expenditure – current year		18,369	154
Amounts condoned		(17,502)	-
Current expenditure		(17,502)	-
Irregular expenditure awaiting condonement		1,021	154
Analysis			
Current		867	154
Prior years		154	-
Total		1,021	154

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

	Notes	2005/06 R'000	2004/05 R'000
25.2 Irregular expenditure			
Incident	Disciplinary steps taken/criminal proceedings		
Incidents reported 2004/05	Various	-	154
Independent Newspapers	No official to be held accountable	41	-
Schoenstatt Retreat	Official to be reprimanded	1	-
Suds Laundry	No official to be held accountable	457	-
George Printing	Official to be reprimanded	12	-
Lady Hamilton Hotel	Matter being investigated	11	-
George Lodge International	Matter being investigated	1	-
Out 'n About Catering	Matter being investigated	1	-
Henry Williams Plantscape	Matter being investigated	2	-
Microzone	No official to be held accountable	1	-
African Equation	Matter being investigated	9	-
Over-exp Transfer paymts	No official to be held accountable	17,003	-
Mona's Supplies	Matter being investigated	168	-
Okusha Design	Matter being investigated	79	-
Pine Lodge Chalets	Matter being investigated	45	-
Nathan Maalie	Matter being investigated	3	-
Social Development UCT	Matter being investigated	48	-
Z-Card	Matter being investigated	100	-
Microzone	Matter being investigated	1	-
Multilayer Trading	Matter being investigated	98	-
Secureforce Security Serv.	Matter being investigated	4	-
Food & Beverage Services	Matter being investigated	1	-
Food & Beverage Services	Matter being investigated	1	-
Columbus Cleaning System	Matter being investigated	1	-
Pronto Kleen	Matter being investigated	4	-
Metro Hospital Service	Matter being investigated	2	-
Nadia Mason Consulting	Matter being investigated	88	-
Riverside Printers	Matter being investigated	13	-
Air Mercy Services	Matter being investigated	30	-
Charisma Nursing Agency	Matter being investigated	144	-
Total		<u>18,369</u>	<u>154</u>

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

	Notes	2005/06 R'000	2004/05 R'000
26.	Related party transactions		
	Refer to Management Report.		
27.	Key management personnel		
	No of Individuals	Total R'000	Total R'000
	Description		
	Political Office Bearers (provide detail below)	1	819
	Level 15 to 16	4	2,814
	Level 14	8	4,080
	Total	<u>7,713</u>	<u>7,782</u>
28.	Public Private Partnership		
	Refer to Management Report.		
29.	Provisions		
	Staff debtors	<u>56</u>	<u>-</u>
	Total	<u>56</u>	<u>-</u>

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

ANNEXURE 1A
STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF DEPARTMENT	GRANT ALLOCATION					SPENT			2004/05	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DoRA Adjustments	Other Adjustments	Total Available	Amount received by department	Amount spent by department	% of Available funds spent by department	Division of Revenue Act	Amount spent by departments
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
National Tertiary Services	1,214,684	-	-	-	1,214,684	1,214,684	1,214,684	100.0	1,104,087	1,104,087
Health professions training and development	323,278	-	-	-	323,278	323,278	323,278	100.0	327,210	327,210
Hospital management and quality improvement	17,608	-	-	-	17,608	17,608	18,016	102.3	16,983	15,179
HIV/AIDS	82,451	-	-	-	82,451	82,451	92,773	112.5	57,962	70,394
Integrated Nutrition	5,288	-	-	-	5,288	5,288	5,288	100.0	4,809	4,704
Forensic pathology services	-	-	14,583	-	14,583	14,583	6,254	42.9	696	696
Hospital Revitalisation	172,038	-	(24,000)	-	148,038	148,038	99,417	67.2	-	-
Provincial Infrastructure	55,229	-	-	-	55,229	55,229	55,229	100.0	-	-
Total	1,870,576	-	(9,417)	-	1,861,159	1,861,159	1,814,939		1,511,747	1,522,270

Note: R5 million was shifted to Vote 10 for the purchasing of vehicles for the Conditional grant Forensic pathology services in the Adjustments Estimates.

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

ANNEXURE 1F
STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2004/05	
	Amount	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total available	
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000	
HO											
- Eden	-	-	-	-	-	-	-	-	-	-	36
- Overberg/Cape Winelands	-	-	-	-	-	-	-	-	-	-	400
- City of Cape Town	-	-	-	-	-	-	-	-	-	-	32,311
Metro											
- City of Cape Town	108,930	-	-	108,930	104,662	96.1	104,662	104,662	100.0		98,763
Boland											
- Breede Valley	4,426	-	-	4,426	3,997	90.3	3,997	3,997	100.0		1,745
- Breeriver/Winelands	1,133	-	-	1,133	850	75.0	850	850	100.0		805
- Overstrand	1,091	-	-	1,091	1,230	112.7	1,230	1,230	100.0		1,056
- Overberg	7,912	-	-	7,912	7,921	100.1	7,921	7,921	100.0		8,640
- Theewaterskloof	2,152	-	-	2,152	2,112	98.1	2,112	2,112	100.0		1,855
- Witzenberg	427	-	-	427	346	81.0	346	346	100.0		625
- Cape Winelands	11,077	-	-	11,077	9,722	87.8	9,722	9,722	100.0		12,232
WestCoast/Winelands											
- Bergriver	-	-	-	-	-	-	-	-	-	-	3
- Drakenstein	4,955	-	-	4,955	7,699	155.4	7,699	7,699	100.0		6,648
- Cederberg	556	-	-	556	707	127.2	707	707	100.0		588
- Saldanha	3,388	-	-	3,388	4,000	118.1	4,000	4,000	100.0		2,284
- Matzikama	686	-	-	686	749	109.2	749	749	100.0		828
- Swartland	1,788	-	-	1,788	2,829	158.2	2,829	2,829	100.0		3,990
- Stellenbosch	3,747	-	-	3,747	6,570	175.3	6,570	6,570	100.0		2,727
- Cape Winelands	4,907	-	-	4,907	7,418	151.2	7,418	7,418	100.0		3,938
- West Coast	10,504	-	-	10,504	10,869	103.5	10,869	10,869	100.0		11,762
South Cape											
- Beaufort West	714	-	-	714	1,463	204.9	1,463	1,463	100.0		1,073
- George	11,418	-	-	11,418	11,981	104.9	11,981	11,981	100.0		5,949
- Knysna	4,263	-	-	4,263	3,738	87.7	3,738	3,738	100.0		2,004
- Kannaland	-	-	-	-	-	-	-	-	-	-	1
- Hessequa	1,013	-	-	1,013	1,040	102.7	1,040	1,040	100.0		1,871
- Laingsburg	-	-	-	-	-	-	-	-	-	-	7
- Oudtshoorn	1,570	-	-	1,570	1,362	86.8	1,362	1,362	100.0		1,139
- Mossel Bay	5,001	-	-	5,001	3,766	75.3	3,766	3,766	100.0		2,482
- Bitou	4,335	-	-	4,335	3,510	81.0	3,510	3,510	100.0		2,313
- Prince Albert	244	-	-	244	335	137.3	335	335	100.0		248
- Central Karoo	3,868	-	-	3,868	4,910	126.9	4,910	4,910	100.0		3,356
- Eden	10,593	-	-	10,593	13,641	128.8	13,641	13,641	100.0		9,008
Regional Service Council Levy (Various Mun's)	8,464	-	-	8,464	8,144	96.2	8,144	8,144	100.0		7,445
Total	219,162	-	-	219,162	225,571		225,571	225,571			228,132

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

ANNEXURE 1G
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENTS/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2004/05
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Final Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Cape Medical Depot	5,165	-	2,200	7,365	7,316	99.3	4,103
SETA	1,967	-	-	1,967	1,947	99.0	1,873
Total	7,132	-	2,200	9,332	9,263	-	5,976

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

ANNEXURE 1H
STATEMENT OF TRANSFERS TO UNIVERSITIES AND TECHNIKONS

UNIVERSITY/ TECHNIKON	TRANSFER ALLOCATION				TRANSFER			2004/05
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Amount not Transferred	% of Available Funds Transferred	Final Appropriation Act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Stellenbosch	22,686	-	-	22,686	22,437	249	98.9	25,996
Western Cape	10,531	-	-	10,531	9,835	696	93.4	11,005
Cape Town	21,421	-	-	21,421	18,996	2,425	88.7	18,392
Cape Peninsula University of Technology	3,198	-	-	3,198	3,161	37	98.8	1,586
Total	57,836	-	-	57,836	54,429	3,407	-	56,979

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

ANNEXURE 1K
STATEMENT OF TRANSFERS/SUBSIDIES TO NON-PROFIT INSTITUTIONS

NON PROFIT ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE		2004/05
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Final Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Provincial-aided hospitals							
- St Josephs	5,483	-	-	5,483	5,483	100.0	5,357
- Sarah Fox	3,842	-	-	3,842	3,842	100.0	3,780
- Maitland Cottage	4,376	-	-	4,376	4,376	100.0	4,098
- Booth Memorial	7,138	-	-	7,138	7,138	100.0	6,798
- Clanwilliam	6,793	-	-	6,793	6,793	100.0	6,464
- Radie Kotze	3,850	-	-	3,850	3,850	100.0	3,532
- Murraysburg	2,177	-	-	2,177	2,177	100.0	2,057
- Prince Albert	3,380	-	-	3,380	3,380	100.0	3,280
- Uniondale	2,595	-	-	2,595	2,595	100.0	2,384
- Laingsburg	2,905	-	-	2,905	2,905	100.0	2,805
S.A Red Cross Air Mercy	11,836	-	-	11,836	11,835	100.0	8,696
Conradie Care Centre	26,036	-	-	26,036	25,744	98.9	24,818
Community Outreach	3,462	-	-	3,462	1,135	32.8	-
Social Capital	3,857	-	-	3,857	1,328	34.4	-
TB hospitals							
- DP Marais	8,291	-	-	8,291	8,291	100.0	7,896
- Harry Comey	-	-	-	-	-	-	4,519
Non-government organisations							
- HIV/AIDS	33,095	-	-	33,095	31,103	94.0	31,686
- Nutrition	1,467	-	-	1,467	1,622	110.6	1,966
-NGO (APH)	-	-	-	-	-	-	224
- TB NGO's	1,966	-	-	1,966	1,497	76.1	2,055
- Day Care Centres	2,724	-	-	2,724	2,798	102.7	2,330
- HCW NGO	463	-	-	463	451	97.4	713
- Licenced homes	2,521	-	-	2,521	3,642	144.5	2,470
- Group homes	3,422	-	-	3,422	3,114	91.0	2,145
- PSCHO Soc Rehab groups	305	-	-	305	297	97.4	257
- Santa Guidance	120	-	-	120	17	14.2	23
- Global Fund	17,499	-	-	17,499	16,730	95.6	10,180
Total	159,603	-	-	159,603	152,143		140,533

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

ANNEXURE 1L
STATEMENT OF TRANSFERS/SUBSIDIES TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2004/05
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Final Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Employee social benefits-cash residents	5,574	-	1,231	6,805	6,697	98.4	5,391
Claims against the state: households	14,000	-	-	14,000	13,300	95.0	272
Bursaries	38,502	-	-	38,502	37,958	98.6	26,624
PMT/Refund&Rem-Act/Grace (Injuries on duties)	3,681	-	-	3,681	3,115	84.6	3,202
Donations & Gifts Households - cash	122	-	-	122	122	100.0	40
Total	61,879	-	1,231	63,110	61,192		35,529

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

**ANNEXURE 1M
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED FOR THE YEAR ENDED
31 MARCH 2006**

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2005/06 R'000	2004/05 R'000
Received in kind			
Gifts & Donations and sponsorships received for the year ending 31 March 2005	Various	-	13,844
Red Cross Hospital	Q11 Emergency Carts (x3)	20	-
Groote Schuur Hospital	Airconditioner	21	-
Groote Schuur Hospital	Zeiss Endoport	21	-
Metropole Region	Dinamap Procare 100x 2	23	-
Metropole Region	Dinamap	23	-
Metropole Region	Posters	23	-
Red Cross Hospital	Lockers-Bedside (x23)	23	-
Red Cross Hospital	Oxygen Blenders (x8)	23	-
Metropole Region	Trolley Patient	24	-
Groote Schuur Hospital	Subscription to M-Net for in-Patients	24	-
Groote Schuur Hospital	Computer, projector & camera	26	-
Metropole Region	Polisher	26	-
Red Cross Hospital	Bulk Storage Refrigerator for vaccines (x1)	26	-
Red Cross Hospital	IVAC ASENA GH Syringe Pumps (x3)	27	-
West Coast Winelands	Sats Monitor	28	-
Metropole Region	Incubator x1	28	-
Metropole Region	Polisher	28	-
Metropole Region	Signage	29	-
Metropole Region	ECG machine x1	29	-
Groote Schuur Hospital	Lockers	30	-
Tygerberg Hospital	Fonix FA 12 Digital Audiometer (x1)	30	-
Groote Schuur Hospital	CCTV Cameras	31	-
Metropole Region	10 Incubators	33	-
Red Cross Hospital	Spina Bifida	35	-
Tygerberg Hospital	Defibrillator TEC 7721K Nihon Kohden (x1)	36	-
Groote Schuur Hospital	Cellphones	40	-
Metropole Region	Keratometer x1	41	-
Red Cross Hospital	Keratometer MRK3100P (x1)	41	-
Metropole Region	Defibrulator	42	-
Metropole Region	Cotbeds (x6)	43	-
Red Cross Hospital	Wheelchair cushions	43	-
Metropole Region	Food Trolleys (x6)	45	-
Boland/Overberg Region	Building upgrade	47	-
Red Cross Hospital	Q11 Emergency Carts (x6)	47	-
Groote Schuur Hospital	Mandible Distractor	47	-
Groote Schuur Hospital	Labour expenses to assist GSH	48	-
Red Cross Hospital	Biological Safety cabinet (x1)	50	-
Metropole Region	A-Scanner (x1)	50	-
Groote Schuur Hospital	Radiometer - Blood gas analyser	50	-
Red Cross Hospital	Bedside monitors complete with all accessories (x2)	58	-
Groote Schuur Hospital	Vehicle Maintenance	62	-
Red Cross Hospital	Autoclave top loadable complete (x1)	64	-

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

ANNEXURE 1M
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED FOR THE YEAR ENDED
31 MARCH 2006 (continued)

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2005/06 R'000	2004/05 R'000
Red Cross Hospital	Infant Flowdriver & accessories (x1)	65	-
Groote Schuur Hospital	Printing & Stationery	66	-
Groote Schuur Hospital	Building Maintenance	67	-
Groote Schuur Hospital	Spare parts to repair CT Scanner	68	-
Metropole Region	Refurbished Phaco (x1)	70	-
Groote Schuur Hospital	Wheelchairs (x18)	73	-
Groote Schuur Hospital	Books & Publications	74	-
Red Cross Hospital	IVAC MODEL 597 Infusion Pumps (x8)	76	-
Red Cross Hospital	Food Parcels	81	-
Red Cross Hospital	Urodynamic Table/Chair (x1)	82	-
Red Cross Hospital	Homechoice Procyclers (x2)	82	-
Red Cross Hospital	Video Computer Complete (x1)	84	-
Groote Schuur Hospital	Keratometer	84	-
Groote Schuur Hospital	Computer equipment	85	-
Groote Schuur Hospital	Ventilator Spinal Unit	86	-
Groote Schuur Hospital	Catering	87	-
Groote Schuur Hospital	Equipment Maintenance	92	-
Red Cross Hospital	Bulk Storage vaccine refrigerator (x4)	93	-
Metropole Region	2 Pulmonetic systems	100	-
Red Cross Hospital	Surgical items listed on order various small items under R5000 each	100	-
Metropole Region	Beds (x16)	114	-
Southern Cape Region	Sonar Machine	116	-
Groote Schuur Hospital	Eye Instruments, forceps etc	120	-
Red Cross Hospital	Lab Washer Complete (x1)	121	-
Red Cross Hospital	Aquawtu 125 Water treatment unit (x1)	122	-
Red Cross Hospital	Hearing Aids	123	-
Red Cross Hospital	Incubators - Cosy Cot, infant (x3)	127	-
Groote Schuur Hospital	Blinds, Curtains, Carpets	136	-
Groote Schuur Hospital	Microscopes	150	-
Groote Schuur Hospital	Garden & Grounds	153	-
Tygerberg Hospital	D Braun Syringe pumps model Space Station (x15)	157	-
Red Cross Hospital	Wheelchair attachments	159	-
Groote Schuur Hospital	Staff salaries (1 Cloete) PAOU R/O	166	-
Red Cross Hospital	Cushions (x59), Consulting Chairs (x163), Short term chairs (x73), Highchairs & upholstery (x7)	170	-
Red Cross Hospital	Urodynamic system, complete (x1)	203	-
Red Cross Hospital	Ventilators (x6)	244	-
West Coast Winelands	Anaesthesia Apparatus	250	-
Metropole Region	Laproscope (x1)	350	-
Groote Schuur Hospital	Eye consumables lenses etc	390	-
Groote Schuur Hospital	Endolaser	393	-
Groote Schuur Hospital	Sessional Staff	471	-
Groote Schuur Hospital	Patient Welfare & Staff Welfare	661	-
Various	Other	1,501	-
Total		9,497	13,844

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

ANNEXURE 10

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE FOR THE YEAR ENDED 31 MARCH 2006

NATURE OF GIFT, DONATION OR SPONSORSHIP	2005/06 R'000	2004/05 R'000
Paid in cash		
Department of Social Services (16 days of activism to end violence against women and children)	-	20
Cancer Association of South Africa	-	5
Gift for speakers: IFOMT Congress	-	4
Elim House (Home for the disabled)	100	-
University of Western Cape	72	-
Development Bank of South Africa (Mali Project)	50	-
Sub-total	222	29
Made in kind		
Remissions, refunds, and payments made as an act of grace		
Payment made as an act of grace	-	11
Sub-total	-	11
Total	222	40

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

ANNEXURE 3A
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2006 - LOCAL

Guarantor institution	Guarantee in respect of	Original Guaranteed capital amount	Opening Balance 01/04/2005	Guarantees issued during the year	Guarantees released/ paid/ cancelled/ reduced during the year	Guaranteed interest outstanding as at 31/03/2006	Closing Balance 31/03/2006	Realised losses not recoverable
		R'000	R'000	R'000	R'000	R'000	%	R'000
Standard Bank (0001)	Housing	-	3,949	-	1,416	-	2,533	-
Nedbank (Cape of Good Hope) (0002)	Housing	-	332	-	193	-	139	-
Nedbank (0003)	Housing	-	1,569	-	652	-	917	-
First Rand (0004)	Housing	-	4,524	-	1,733	-	2,791	-
Nedbank (Inc BOE) (0010)	Housing	-	789	-	250	-	539	-
ABSA (0017)	Housing	-	14,420	-	5,774	-	8,646	-
Old Mutual Fin. Ltd (0041)	Housing	-	94	-	18	-	76	-
Peoples Bank FBC Fid (0052)	Housing	-	752	-	390	-	362	-
Peoples Bank (NBS)	Housing	-	1,250	-	491	-	759	-
FNB (Former Saambou) (0054)	Housing	-	3,223	-	1,023	-	2,200	-
Old Mutual (Nedbank/Perm) (0055)	Housing	-	6,929	-	2,768	-	4,161	-
GBS Mutual Bank (0071)	Housing	-	27	-	27	-	-	-
Nedcor Inv. Bank Ltd (0143)	Housing	-	44	-	15	-	29	-
Community Bank (0301)	Housing	-	11	-	-	-	11	-
Unibank (0391)	Housing	-	12	-	12	-	-	-
BOE Bank Ltd (0444)	Housing	-	354	-	126	-	228	-
SA Home Loans (0512)	Housing	-	17	-	-	-	17	-
Green Start Home Loans (0516)	Housing	-	41	-	17	-	24	-
NHFC (Masikeni)	Housing	-	186	131	-	-	317	-
First Rand	Bulk Mail	-	75	-	75	-	-	-
Total		-	38,598	131	14,980	-	23,749	-

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

ANNEXURE 3B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2006

Nature of Liability	Opening Balance 01/04/2005 R'000	Liabilities incurred during the year R'000	Liabilities paid/cancelled/ reduced during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing Balance 31/03/2006 R'000
Claims against the department					
Labour Relation Claims	214	-	7	-	207
Medico Legal	97,103	42,654	13,302	-	126,455
Civil & Legal Claims	2,471	-	273	-	2,198
Sub-total	99,788	42,654	13,582	-	128,860
Other					
Ex-gratia payments	-	-	58	-	(58)
Sub-total	-	-	58	-	(58)
Total	99,788	42,654	13,640	-	128,802

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

**ANNEXURE 4
CAPITAL TANGIBLE ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006**

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
BUILDING AND OTHER FIXED STRUCTURES	-	-	-	-
Other fixed structures	-	-	-	-
MACHINERY AND EQUIPMENT	125,323	185,915	896	310,342
Transport assets	-	9,051	-	9,051
Computer equipment	5,228	20,527	23	25,732
Furniture and Office equipment	2,541	4,174	153	6,562
Other machinery and equipment	117,554	152,163	720	268,997
TOTAL CAPITAL ASSETS	125,323	185,915	896	310,342

**ANNEXURE 4.1
ADDITIONS MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006**

	Cash R'000	In-Kind R'000	Total R'000
BUILDING AND OTHER FIXED STRUCTURES	-	-	-
Other fixed structures	-	-	-
MACHINERY AND EQUIPMENT	181,127	4,788	185,915
Transport assets	9,051	-	9,051
Computer equipment	20,264	263	20,527
Furniture and Office equipment	4,115	59	4,174
Other machinery and equipment	147,697	4,466	152,163
Capital work in progress	163,879	-	163,879
TOTAL CAPITAL ASSETS	345,006	4,788	349,794

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

**ANNEXURE 4.2
DISPOSALS MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006**

	Cost/Carrying Amount R'000	Cash R'000	Profit/(loss) on Disposal R'000
MACHINERY AND EQUIPMENT	896	24	(872)
Computer equipment	23	-	(23)
Furniture and Office equipment	153	24	(129)
Other machinery and equipment	720	-	(720)
TOTAL CAPITAL ASSETS	896	24	(872)

**ANNEXURE 4.3
CAPITAL TANGIBLE ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006**

	Additions R'000	Disposals R'000	Total Movement R'000
MACHINERY AND EQUIPMENT	105,436	-	105,436
Other machinery and equipment	105,436	-	105,436
TOTAL CAPITAL ASSETS	105,436	-	105,436

Opening balances in respect of the West Coast-, Boland- and Southern Cape Regions reflect balances at cost. Opening Balances in respect of the Metro Region and Emergency Medical Services will amongst others reflect balances @ R1. These balances will be corrected during the 2006/07 financial year. Opening balances for Tygerberg Hospital is incomplete and will be corrected during the 2006/07 financial year. Opening balances for Groote Schuur Hospital and Red Cross Hospital had been excluded and will be reported on during the 2006/07 financial year.

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

**ANNEXURE 5
CAPITAL INTANGIBLE ASSET COST MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006**

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
Computer Software	-	195	-	195
TOTAL	-	195	-	195

**ANNEXURE 5.1
ADDITIONS MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006**

	Cash R'000	In-Kind R'000	Total R'000
Computer Software	195	-	195
TOTAL	195	-	195

**ANNEXURE 5.3
CAPITAL INTANGIBLE ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006**

	Additions R'000	Disposals R'000	Total Movement R'000
Computer Software	150	-	150
TOTAL	150	-	150

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

**ANNEXURE 6
INTER-GOVERNMENTAL RECEIVABLES**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2006	31/03/2005	31/03/2006	31/03/2005	31/03/2006	31/03/2005
	R'000	R'000	R'000	R'000	R'000	R'000
PROVINCE OF THE WESTERN CAPE						
Department of Correctional Services	-	-	125	-	125	-
Department of Social Services	-	-	143	13,660	143	13,660
Department of Transport & Public Works	-	5	599	2,486	599	2,491
Department of Community Safety	11	12	-	-	11	12
Department of Education	-	-	92	87	92	87
Department of the Premier	-	1	22	-	22	1
Department of Agriculture	-	3	-	-	-	3
Department of Economic Development & Tourism	-	9	-	-	-	9
NORTH WEST PROVINCE						
Department of Health	-	-	7	-	7	-
PROVINCE OF THE EASTERN CAPE						
Department of Health	-	-	56	10	56	10
FREE STATE PROVINCE						
Department of Health	-	-	-	11	-	11
GAUTENG PROVINCE						
Human Resource Management & Development	-	-	-	2	-	2
Department of Health	-	-	-	21	-	21
NORTHERN CAPE PROVINCE						
Department of Health	-	-	-	32	-	32
LIMPOPO PROVINCE						
Department of Health	-	-	-	12	-	12
KWAZULU-NATAL PROVINCE						
Department of Health	-	-	67	-	67	-
NATIONAL DEPARTMENTS						
National Parliament	-	-	137	-	137	-
Department of Defence	-	6	-	-	-	6
Department of Justice	-	-	-	9	-	9
OTHER						
Family Planning, City of Cape Town	-	-	-	175	-	175
Family Planning, Tygerberg	-	-	-	59	-	59
INP-LA Leche Leage	-	-	-	58	-	58
Family Planning 14022005	-	-	-	269	-	269
Ingrated Nutrition Prog (METRO DHS)	-	-	65	-	65	-
Sub-total	11	36	1,313	16,891	1,324	16,927
Other Government Entities						
Pension Recoverable	-	-	(40)	(308)	(40)	(308)
Agency Service	-	-	9,631	9,423	9,631	9,423
Sub-total	-	-	9,591	9,115	9,591	9,115
TOTAL	11	36	10,904	26,006	10,915	26,042

WESTERN CAPE – DEPARTMENT OF HEALTH
VOTE 6

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

ANNEXURE 7
INTER-DEPARTMENTAL PAYABLES – CURRENT

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2006	31/03/2005	31/03/2006	31/03/2005	31/03/2006	31/03/2005
	R'000	R'000	R'000	R'000	R'000	R'000
WESTERN CAPE PROVINCE						
Department of Agriculture	-	-	-	3	-	3
Department of Social Services	-	-	-	4	-	4
Provincial Treasury	178	-	-	-	178	-
Department of Provincial Administration Western Cape	-	-	-	144	-	144
Department of Transport and Public Works	473	-	-	285	473	285
Government Motor Transport	-	-	1,352	555	1,352	555
Department of Premier	127	-	26	-	153	-
Department of Cultural Affairs and Sport	-	-	19	-	19	-
Department of Local Government and Housing	12	-	-	-	12	-
FREE STATE PROVINCE						
Department of Health	47	-	-	-	47	-
NATIONAL DEPARTMENTS						
National Department of Justice and Constitutional Development	228	-	128	177	356	177
Total	1,065	-	1,525	1,168	2,590	1,168

The Accounting Officer's Report for the year ended 31 March 2006

Report by the Accounting Officer to the Executive Authority/Provincial Legislature and Parliament of the Republic of South Africa

General Review of the State of Affairs:

Budget Allocation:

The budget requirement in respect of the operational expenditure of the Cape Medical Depot is recovered from Hospitals and Institutions by means of a levy charged for goods supplied. The budget of the Cape Medical Depot is included in the approved budget statement of the Department. The budget allocation for administrative expenditure amounted to R25,800 million for the 2005/2006 financial year. The administrative budget comprises compensation of employees, goods and services, and payments for capital assets.

The budget allocation for the 2005/2006 financial year to purchase goods for resale amounted to R293,030 million. The actual purchases (receipts posted on the Medical Stores Administration System (MEDSAS) for the year amounted to R291,084 million against actual issues (sales) for the year amounting to R311,848 million. Revenue amounting to R20,765 million was therefore available to fund operating expenditures.

The cumulative capital and reserves available to the depot as at 31 March 2006 for the purchase of stock amounted to R40,938 million. This amount remains static until Treasury is requested to grant an increase in the approved capital via normal budgeting processes. During the year under review the depot's Trading Capital was augmented by R7,316 million.

Over/Under spending:

The operating expenditure for the year under review was exceeded by R827 000 resulting in a loss to be funded by the Department from the 2006/2007 financial year Budget allocation.

The closing stock figure as per the Medical Stores Administration System (MEDSAS) was R59,372 million. The high stock level enables the depot to meet the demands and ensures a consistent reliable supply of pharmaceutical and related items to all users within the Province.

Spending Trends:

All items requisitioned for use in the administration of the depot are channelled through a budget committee to ensure that funds are available and that the Depot expenditure stays within budget.

Services rendered by the Trading Entity:

The CMD caters for the provisioning of Pharmaceutical and Non-pharmaceutical supplies in bulk from suppliers, thereby enabling users to keep lower stock levels and rely on shorter delivery lead-times. Better control is exercised over purchases and the advantage of buying bulk results in lower costs especially on medical supplies. The depot is responsible for the storage and management of this stock, to service Provincial Hospitals, Provincial-aided Hospitals, Old Age Homes, Day Hospitals, Local Authorities and Clinics with stock, upon receipt of requisitions in this regard.

The CMD consists of four sections, namely Pharmaceutical Depot, Non-pharmaceutical Depot, DDV (Direct Delivery Voucher) Pharm Depot and DDV Dental Depot. The Oudtshoorn Medical Depot is a sub-depot of the Cape Medical Depot and supplies pharmaceuticals to the Southern Cape Karoo and surrounding areas.

The CMD also manages a Pre-packing Unit where bulk items of stock are packed into smaller patient ready quantities.

Tariff Policy:

A levy is charged and added to the ledger price of goods purchased to determine the costs of goods supplied to clients. These levies are determined by Treasury and are reviewed annually and adjusted if required. The levies as mentioned below have not been adjusted since 1994:

Pharmaceutical and Non-pharmaceutical depot stock	:	8 % levy on average prices
Direct Delivery items	:	5 % levy on average prices
Pre-pack items	:	R0.68 per unit

Levies are not intended to result in a profit or loss accruing but, should fund the operating expenditure in full.

Capacity Constraints:

- ❖ Interest on Capital – The CMD is currently the only Depot in the country to carry this expenditure.
- ❖ Working capital – The working capital has to be reviewed and increased annually in order to meet the increasing demands. The biggest factor impacting on the CMD's capability to trade efficiently is the relatively high medical inflation.
- ❖ Physical limitations of the building – The building limits further expansion and leads to operational inefficiencies. In this regard a recent report by the SA Pharmacy Council highlighted several shortcomings in the building which will require rectification in order to ensure that the building complies with legislation that became effective on the 1st July 2005. Negotiations have been entered into with the Department of Transport and Public Works to provide air-conditioning and to clad the walls and floors to ensure compliance.
- ❖ The Depot functions on a modified cash accounting system i.e. the Basic Accounting System. In terms of Treasury Regulations, Trading Entities must compile Financial Statements on an Accrual basis of accounting. The conversion of the information to comply with the accounting principles of SA GAAP is extremely time consuming.

Utilisation of Donor Funds:

No donor funding was received at the CMD.

Business Address:

16 Chiappini Street	Private Bag 9036
Cape Town	Cape Town
8001	8000

New/Proposed Activities:

The Department will be constructing a larger Oudtshoorn Medical Sub-Depot to cater for increased demand and to comply with legislation during the 2006/2007 financial year.

The Pre-pack Unit which was situated at Karl Bremer Hospital has been re-located to the CMD Warehouse during the 2005/2006 financial year.

The Department of Transport and Public Works has also been requested to address the current deficiencies within the CMD to comply with legislation. These deficiencies amongst others are:

- Inadequate climate control
- Inadequate security
- Inadequate cold storage facilities

Events after the Balance Sheet date:

No material events.

Performance Information:

The following Performance Indicators are available as standard reports on the MEDSAS system:

	2005/2006	2004/2005
Stock Turnover	7.5	6.19
Dues Out	8.6%	8.31%
Service Level	81%	90%

Stock turnover target is set at 8 by National Treasury. During the year under review, in order to compensate for erratic supplier performance, stock holding was increased significantly, resulting in a reduced stock turnover. The service level, (defined as the number of orders satisfied within 48 hours of receipt) has however decreased from 90% in 2004/2005 to 81% 2005/2006.

This can mainly be attributed to staff attending ABET and Pharmacy Assistant courses resulting in orders not being satisfied within 48 hours of receipt.

Other:

The financial statements have been compiled in line with the South African Statements of Generally Accepted Accounting Practice.

Approval:

The Annual Financial Statements set out on pages 175 to 187 have been approved by the Accounting Officer.

PROFESSOR KC HOUSEHAM
ACCOUNTING OFFICER
DATE:

WESTERN CAPE PROVINCE
DEPARTMENT OF HEALTH

REPORT OF THE AUDITOR-GENERAL TO THE PROVINCIAL PARLIAMENT OF THE WESTERN CAPE ON
THE FINANCIAL STATEMENTS OF THE CAPE MEDICAL DEPOT TRADING ACCOUNT FOR THE YEAR
ENDED 31 MARCH 2006

TABLE OF CONTENTS		PAGE
1.	AUDIT ASSIGNMENT	170
2.	SCOPE	170
3.	AUDIT OPINION	170
4.	EMPHASIS OF MATTER	170
4.1	Internal audit and risk management	170
4.2	General control environment issues	171
5.	APPRECIATION	171

**REPORT OF THE AUDITOR-GENERAL TO THE PROVINCIAL PARLIAMENT OF THE WESTERN
CAPE ON THE FINANCIAL STATEMENTS OF THE CAPE MEDICAL DEPOT FOR THE YEAR
ENDED 31 MARCH 2006**

1. AUDIT ASSIGNMENT

The financial statements as set out on pages 175 to 187, for the year ended 31 March 2006, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 4 and 20 of the Public Audit Act, 2004 (Act No. 25 of 2004). These financial statements are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

2. SCOPE

The audit was conducted in accordance with the International Standards on Auditing read with General Notice 544 of 2006, issued in Government Gazette no. 28723 of 10 April 2006 and General Notice 808 of 2006, issued in Government Gazette no. 28954 of 23 June 2006. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

I believe that the audit provides a reasonable basis for my opinion.

3. AUDIT OPINION

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Cape Medical Depot at 31 March 2006 and the results of its operations and its cash flows for the year then ended, in accordance with South African Statements of Generally Accepted Accounting Practice and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999).

4. EMPHASIS OF MATTER

Without qualifying the audit opinion expressed above, attention is drawn to the following matters:

4.1 Internal audit and risk management

According to section 38(1)(a)(ii) of the Public Finance Management Act, 1999 (Act No.1 of 1999) the accounting officer of the trading entity must ensure that the trading entity has and maintains a system of internal control under the control and direction of an audit committee complying with and operating in accordance with regulations and instructions prescribed in terms of sections 76 and 77 of the PFMA.

No internal audit work has however, been performed at the depot during the financial year under review.

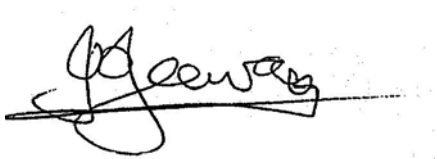
Furthermore, a risk management strategy, which includes a fraud prevention plan, was not developed and implemented at the depot for the financial year under review.

4.2 General control environment issues

- (i) The depot operated without a set of documented policies and procedures to guide the financial and accounting processes and related controls for each of the main accounting cycles for the financial year under review.
- (ii) The depot operated without a license for the wholesaling of medicines as required by section 22C of the Medicines and Related Substances Act, 1965 (Act No. 101 of 1965). The licensing authority had withheld the granting of a license due to the non compliance of the warehousing facilities with the Medicines Control Councils Good Wholesaling Practice requirements.
- (iii) Supplier payments, amounting to R58 739 980 for the financial year under review, were not paid within the prescribed 30 days as required by paragraph 8.2.3 of the Treasury Regulations.

5. APPRECIATION

The assistance rendered by the staff of the Cape Medical Depot during the audit is sincerely appreciated.



I JEEWA *for* Auditor-General

Cape Town

31 July 2006



A U D I T O R - G E N E R A L

Cape Medical Depot

Accounting Policies for the year ended 31 March 2006

The Annual Financial Statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice and the Public Finance Management Act, Act 1 of 1999 as amended.

The following are the principle accounting policies of the Cape Medical Depot which are, in all material respects, consistent with those applied in the previous year, except as otherwise indicated:

1 Basis of preparation

The financial statements have been prepared on the historical cost basis.

2 Currency

These financial statements are presented in South African Rands.

3 Revenue recognition

Revenue from the sale of goods is recognised when significant risks and rewards of ownership of the goods have been transferred to the buyer.

4 Expenditure

Compensation of Employees

Salaries and wages comprise payments to employees. Salaries and wages are recognised as an expense in the Income Statement when the final authorisation for payment is effected on the system. The expenditure is classified as capital where the employees were involved, on a full time basis, on capital projects during the financial year. All other payments are classified as current expense.

Social contributions include the entities contribution to social insurance schemes paid on behalf of the employee.

Short-term employee benefits

The cost of short-term employee benefits is expensed in the Income Statement in the reporting period when the final authorisation for payment is effected on the system.

5 Retirement benefit costs

All post retirement benefits is for the account of the Chief Directorate: Pension Administration in Pretoria. ie. The National Department of Treasury. The Cape Medical Depot therefore has no obligation towards post retirement benefits.

6 Irregular and fruitless and wasteful expenditure

[Irregular expenditure means expenditure incurred in contravention of, or not in accordance with, a requirement of any applicable legislation, including:](#)

- The PFMA, or
- Any provincial legislation providing for procurement procedures in that provincial government.

Fruitless and wasteful expenditure means expenditure that was made in vain and would have been avoided had reasonable care been exercised.

Cape Medical Depot

Accounting Policies (continued) for the year ended 31 March 2006

All irregular and fruitless and wasteful expenditure is charged against income in the period in which they are incurred.

7 Unusual items

All items of income and expense arising in the ordinary course of business are taken into account in arriving at income. Where items of income and expense are of such size, nature or incidence that their disclosure is relevant to explain the performance of the Cape Medical Depot, they are separately disclosed and appropriate explanations are provided.

8 Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives, using the straight-line method, on the following bases:

	%
Plant and equipment	20 p.a.
Computer Equipment	33 $\frac{1}{3}$ p.a.
Furniture and Fittings	20 p.a.

9 Impairment

At each balance sheet date, the Cape Medical Depot reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are immediately recognised as an expense.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

10 Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price in the ordinary course of business less any costs of completion and costs to be incurred in marketing, selling and distribution.

Cost is determined on the following bases:

- All inventories are valued at average cost.

Cape Medical Depot

Accounting Policies (continued) for the year ended 31 March 2006

11 Financial instruments

Financial assets

The Cape Medical Depot's principle financial assets are accounts receivable and cash and cash equivalents.

- ❑ Trade receivables
Trade receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Financial liabilities

The Cape Medical Depot's principle financial liabilities are accounts payable.

All financial liabilities are measured at amortised cost, comprising original debt less principle payments and amortisations.

- ❑ Trade payables
Trade and other payables are stated at their nominal value.

12 Provisions

Provisions are recognised when the Cape Medical Depot has a present obligation as a result of a past event and it is probable that this will result in an outflow of economic benefits that can be estimated reliably.

13 Changes in accounting estimates and errors

When an entity has not applied a new Standard or Interpretation that has been issued but is not yet effective, the entity shall disclose:

- (a) this fact; and
- (b) known or reasonably estimable information relevant to assessing the possible impact that application of the new Standard or Interpretation will have on the entity's financial statements in the period of initial application.

14 Lease commitments

Lease commitments for the period remaining from the reporting date until the end of the lease contract are disclosed as part of the disclosure notes to the Annual Financial Statements.

Operating lease expenditure is expensed when the payment is made.

Cape Medical Depot

Income Statement for the year ended 31 March 2006

	Notes	2005/06 R'000	2004/05 R'000
REVENUE			
Sale of Goods	<i>3/21</i>	311,848	273,274
Cost of Sales	<i>4/21</i>	(291,084)	(251,096)
Gross Profit		<u>20,764</u>	<u>22,178</u>
Other Income	<i>5/21</i>	1	-
		<u>20,765</u>	<u>22,178</u>
EXPENDITURE			
Administrative Expenses	<i>6</i>	(2,335)	(1,762)
Staff Costs	<i>7</i>	(11,250)	(10,194)
Audit Fees	<i>8</i>	(344)	(138)
Transfers and Subsidies	<i>9</i>	(68)	(25)
Depreciation	<i>10</i>	(295)	(299)
Other Operating Expenses	<i>11</i>	(7,300)	(5,323)
Profit for the Year		<u>(827)</u>	<u>4,437</u>
Net Profit/(Loss) for the Year		<u>(827)</u>	<u>4,437</u>

Cape Medical Depot

Balance Sheet as at 31 March 2006

	Notes	2005/06 R'000	2004/05 R'000
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	12	1,200	578
		<u>1,200</u>	<u>578</u>
Current Assets			
Inventory	13	59,372	46,457
Trade and Other Receivables	14	7,549	1,307
Prepayments and Advances	15	-	5
		<u>66,921</u>	<u>47,769</u>
Total Assets		<u><u>68,121</u></u>	<u><u>48,347</u></u>
EQUITY AND LIABILITIES			
Capital and Reserves			
	16	40,938	34,449
Non-Current Liabilities			
Provisions	17	654	829
Current Liabilities			
Short Term Provisions	17	154	84
Cash and Cash Equivalents	18	7,739	6,089
Trade and Other Payables	19	18,162	6,896
Income Received in Advance	20	474	-
		<u>26,529</u>	<u>13,069</u>
Total Equity and Liabilities		<u><u>68,121</u></u>	<u><u>48,347</u></u>

Cape Medical Depot

Statements of Changes in Equity

for the year ended 31 March 2006

	Trading Fund	Accumulated profit/(loss)	Total
	R'000	R'000	R'000
Balance at 1 April 2004	32,000	(684)	31,316
- Correction of error see note 21	-	268	268
Restated Opening Balance	32,000	(416)	31,584
Net profit for the year	-	4,437	4,437
Transfers to Provincial Revenue Fund	-	(5,675)	(5,675)
Transfers from Department of Health	4,103	-	4,103
Balance at 1 April 2005	36,103	(1,654)	34,449
Net loss for the year	-	(827)	(827)
Transfers from Department of Health	5,165	2,151	7,316
Balance at 31 March 2006	41,268	(330)	40,938

Cape Medical Depot

Cash Flow Statement for the year ended 31 March 2006

	Notes	2005/06 R'000	2004/05 R'000
Operating activities			
Cash utilised in operations	22	(8,049)	(1,973)
Net cash used in operating activities		<u>(8,049)</u>	<u>(1,973)</u>
Net cash used in investing activities	23	<u>(917)</u>	<u>(60)</u>
Net cash from/(used in) financing activities	24	<u>7,316</u>	<u>(1,573)</u>
Net decrease in cash and cash equivalents		(1,650)	(3,606)
Cash and cash equivalents at the beginning of the year	18	<u>(6,089)</u>	<u>(2,483)</u>
Cash and cash equivalents at end of the year	18	<u><u>(7,739)</u></u>	<u><u>(6,089)</u></u>

Cape Medical Depot

Notes to the Annual Financial Statements

for the year ended 31 March 2006

1 Adoption of South African Accounting Standards

The financial statements for the year ended 31 March 2006 have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice.

2 Nature of Enterprise

The Cape Medical Depot is a Trading Entity, under the control of the Department of Health, and is domicile in South Africa.

3 Sale of Goods

	31/03/2006 R'000	31/03/2005 R'000
An analysis of the Cape Medical Depot's revenue is as follows:		
Sales of goods	311,848	273,274
Hospitals, NGO's, Provincially Aided Hospitals and Local Authorities	311,848	273,274
Total	311,848	273,274

4 Cost of sales

	R'000	R'000
Freight Service	3,443	3,615
Packaging	1,174	779
Purchases	286,467	246,702
Total	291,084	251,096

5 Other Income

	R'000	R'000
Profit on disposal of Asset	1	-
Total	1	-

Cape Medical Depot

Notes to the Annual Financial Statements

for the year ended 31 March 2006

6 Administrative expenses

	R'000	R'000
General and Administrative Expenses	1,783	1,550
Travel and Subsistence	490	155
Rentals in respect of Operating Leases (minimum lease payments)	62	57
- Machinery and Equipment	62	57
Total	2,335	1,762

7 Staff costs

	R'000	R'000
Wages and Salaries	9,980	8,801
Basic Salaries	7,814	7,344
Performance Awards	158	84
Periodic Payments	36	9
Other Non-pensionable Allowance	1,069	1,068
Leave Payments	(143)	
Overtime Pay	1,046	296
Defined Pension Contribution Plan Expense	833	919
Social Contributions (Employer's Contributions)	437	474
Medical	434	471
Official Unions and Associations	3	3
Total	11,250	10,194

8 Audit Fees

	R'000	R'000
Auditor's remuneration		
- Audit fees	344	138
Total	344	138

9 Transfers and subsidies

	R'000	R'000
Transfers		
Local Governments	29	25
Households	39	-
Total	68	25

Cape Medical Depot

Notes to the Annual Financial Statements for the year ended 31 March 2006

10 Depreciation

	R'000	R'000
- Computer Equipment and Peripherals	102	149
- Office Furniture and Fittings	193	150
Total	295	299

11 Other Operating Expenses

	R'000	R'000
Staff Training and Development	129	146
Consultants, Contractors and Special Services	191	4
Equipment items expensed as per entity policy	334	231
Maintenance, Repairs and Running Costs	69	139
- Property and Buildings	32	71
- Machinery and Equipment	34	51
- Other Maintenance, Repairs and Running Costs	3	17
Other	6,577	4,803
Total	7,300	5,323

The Cape Medical Depot occupies a building owned by the Department of Transport and Public Works for which no rental is paid.

12 Property, Plant and Equipment

	Computer Equipment and Peripherals R'000	Office Furniture and Fittings R'000	TOTAL R'000
Year ended 31/3/2005			
Opening net carrying amount	238	579	817
Gross carrying amount	427	752	1,179
Accumulated depreciation	(189)	(173)	(362)
Additions	60	0	60
Depreciation charge	(149)	(150)	(299)
Net carrying amount 31 March 2005	149	429	578
Year ended 31/3/2006			
Opening net carrying amount	149	429	578
Gross carrying amount	487	752	1,239
Accumulated depreciation	(338)	(323)	(661)
Additions	58	859	917
Depreciation charge	(102)	(193)	(295)
Net carrying amount 31 March 2006	105	1,095	1,200

Cape Medical Depot

Notes to the Annual Financial Statements

for the year ended 31 March 2006

13 Inventory

	R'000	R'000
Work in Progress	5,951	6,457
Packaging Material	145	-
Finished Goods	53,276	40,000
Stock losses awaiting write-off approval	324	-
Provision for Stock Losses	(324)	-
Total	59,372	46,457

Inventory to the value of R671,976 (Western Cape Depot: R263,309 and Oudtshoorn Depot: R408,667) was written-off during the year and recognized as an expense for the Cape Medical Depot.

14 Trade and other receivables

	R'000	R'000
Trade Receivables	7,472	549
	7,472	549
Other Receivables:		
Disallowance Miscellaneous	77	66
Stock Losses awaiting write-off approval	-	769
Accounts Receivable Adjustments	-	(77)
	77	758
Total	7,549	1,307

Trade and other receivables were evaluated based on age analysis at year-end and on past experience, and it was concluded that no provision for bad debts needed to be provided for.

15 Prepayments and advances

	R'000	R'000
Travel and Subsistence	-	5
Closing balance	-	5

Advance made to staff member in respect of subsistence & travel expenses.

Cape Medical Depot

Notes to the Annual Financial Statements for the year ended 31 March 2006

16 Capital and reserves

	Trading Fund	Accumulated profit/(loss)	TOTAL
	R'000	R'000	R'000
Balance at 1 April 2004	32,000	(684)	31,316
- Correction of error see note 21	-	268	268
Net profit for the year	-	4,437	4,437
Transfers to the Provincial Revenue Fund	-	(5,675)	(5,675)
Transfers from the Department of Health	4,103	-	4,103
Balance at 1 April 2005	36,103	(1,654)	34,449
Net profit for the year	-	(827)	(827)
Transfers from the Department of Health	5,165	2,151	7,316
Balance at 31 March 2006	41,268	(330)	40,938

The trading fund is a reserve that ring-fence the contribution that the Department of Health (the mother department) made to the operating capital of the Cape Medical Depot.

17 Provisions

Disclosure of Provisions for 2006

Description of Components of Provisions	Provision for Performance Bonuses	Provision for Capped Leave	TOTAL PROVISIONS
	R'000	R'000	R'000
Opening balance	84	829	913
Amounts utilised against the Provision	(84)	(32)	(116)
Unused amounts reversed during the year	-	(143)	(143)
Provisions made during the year	154	-	154
Less: Short Term Provisions	(154)	-	(154)
Closing balance	0	654	654

Disclosure of Provisions for 2005

Description of Components of Provisions	Provision for Performance Bonuses	Provision for Capped Leave	TOTAL PROVISIONS
Opening balance	13	839	852
Amounts utilised against the provision	(13)	(10)	(23)
Additional provision raised for the year	84	-	84
Less: Short Term Provisions	(84)	-	(84)
Closing balance	0	829	829

Cape Medical Depot

Notes to the Annual Financial Statements for the year ended 31 March 2006

18 Cash and Cash Equivalents

	R'000	R'000
Cash owed to Western Cape Department of Health	(7,739)	(6,089)
	(7,739)	(6,089)
For the purpose of the cash flow statement:		
Cash and cash equivalents at the beginning of the year	(6,089)	(2,483)

19 Trade and other Payables

	R'000	R'000
Trade creditors	4,868	6,875
Commitments	-	21
Accruals	13,293	-
Other Payables	1	-
	18,162	6,896

Commitments consist of provisions made for overtime owed to staff of CMD at the end of the financial year.

20 Income Received in Advance

	R'000	R'000
Revenue received for goods not yet delivered	474	-
Total	474	-

21 Correction of Error

- 21.1 During the current financial year the Cape Medical Depot corrected an error related to its fixed assets. The Cape Medical Depot reviewed its Fixed Asset Register and found some errors on assets capitalised in prior financial years as well as depreciation rates that were applied incorrectly to assets purchased in prior financial years. The Fixed Asset Register was amended and changes are affected to the financial records to align these records with the amended Fixed Asset Register. The affect of the changes on the financial statements is as follows:

Effective date	Affect on PPE	Affect on Accumulated Depreciation	Affect on Accumulated Surplus/(Deficit)
Opening Balance 01/04/2004	R 511 (dt)	R 243 (cr)	R 268 (cr)
01/04/2004 – 31/03/2005	R 7 (cr)	R 214 (cr)	R 221 (dt)
Closing Balance 31/03/2005	R 504 (dt)	R 457 (cr)	R 47 (cr)

Cape Medical Depot

Notes to the Annual Financial Statements

for the year ended 31 March 2006

- 21.2 During the current financial year the Cape Medical Depot corrected an error related to the incorrect classification of returns from demanders and other income. The affect of the re-classifications for the prior financial year on the financial statements is as follows:

Line Items Affected	Figures disclosed prior to reclassification	Effect of re-classification	Figures disclosed after the reclassification
Sale of goods	R 297,337	R (24,063)	R 273,274
Other Income	R 6,521	R (6,521)	R Nil
Cost of sales	R 281,680	R (30,584)	R 251,096
Gross Profit	R 15,657	R 6,521	R 22,178

22 Cash Utilised in Operations

Reconciliation of profit before taxation to cash utilised in operations

	R'000	R'000
Profit before taxation	(827)	4,437
Adjusted for:		
- Depreciation on plant and equipment	295	299
- Accrual raised for goods & services received	2,453	1,293
- Increase/(Decrease) in provisions	218	61
Operating cash flows before working capital changes		
Working capital changes	(10,188)	(8,063)
- Increase in inventories	(13,239)	(14,102)
- Decrease in receivables	(6,236)	2,262
- Increase/(decrease) in payables	8,813	3,777
- Increase in Income Received in Advance	474	-
Cash utilised in operations	(8,049)	(1,973)

23 Net cash used in investing activities

	R'000	R'000
Acquisition of plant and equipment	(917)	(60)
Cash used in investing activities	(917)	(60)

24 Net cash from/(used in) financing activities

	R'000	R'000
Financing activities		
Revenue surrendered to the Provincial Revenue Fund	-	(5,676)
Transfers from the Provincial Department of Health	7,316	4,103
Cash from/(used in) financing activities	7,316	(1,573)

Cape Medical Depot

Notes to the Annual Financial Statements for the year ended 31 March 2006

25 Contingent Liabilities

	R'000	R'000
25.1 Housing Loan guarantees (Employees)	133	144
25.2 A supplier instituted a claim in the Pretoria High Court against the CMD, arising from monies recovered in terms of State Tender Board regulations during the period 1999/2000. If successful the CMD will be liable for the costs of suit and damages. It is impossible to quantify the claim at this stage. This implies that a contingent liability exists, but has not been raised in the financial statements as the existence of this obligation will only be confirmed pending the outcome of the court case.		

26 Operating lease arrangements

The CMD as lessee

Lease of Photocopiers:

The contract expired in respect of this operating lease agreement on 28/02/2005 and is renewed on a month to month basis at the same rate and is cancellable within a 30-day notice period. One of the photocopiers was upgraded during 2005/2006 and the rental in respect of this lease agreement is set for the period of 36 months.

	2005/06 R'000	2004/05 R'000
Up to 1 year	57	66
1 to 5 years	67	-
More than 5 years	-	-
	124	66

27 Fruitless and Wasteful Expenditure

An amount of R10,742.71 has been identified as fruitless and wasteful expenditure in respect of rental payments for equipment that has not been in use since the financial year 2002/2003. This matter is currently under investigation.

28 Financial Instruments

28.1 Interest Rate Management

No formal policy exists to hedge volatilities in the interest rate market.

28.2 Credit Risk Management

Potential concentrations of credit risk consist principally of trade accounts receivable.

Trade accounts receivable consist of a small consumer base. The granting of credit is controlled, reviewed and updated on a regular basis.

Cape Medical Depot

Notes to the Annual Financial Statements for the year ended 31 March 2006

At 31 March 2006 the institution did not consider there to be any significant concentration of credit risk that had not been adequately provided for.

28.3 Fair Value

The estimated net fair values have been determined as at 31 March 2006, using available market information and appropriate valuation methodologies and are not necessarily indicative of the amounts that the institution could realise in the normal course of business.

	2005/06 Carrying Amounts R'000	2004/05 Carrying Amounts R'000	2005/06 Fair Values R'000	2004/05 Fair Values R'000
Assets				
Trade and other receivables	7,549	1,307	7,472	549
Liabilities				
Trade and other payables	18,162	6,896	18,162	6,896

PART 5: HUMAN RESOURCE MANAGEMENT (OVERSIGHT REPORT)

5.1 Service delivery

The Department of Health in conjunction with the DPSA embarked on the process of reviewing existing and developing additional common service standards which will define the minimum levels of service delivery.

5.2 Expenditure

Departments budget in terms of clearly defined programmes. The following tables summarise final audited expenditure by programme (Table 5.2.1) and by salary bands (Table 5.2.2). In particular, it provides an indication of the amount spent on personnel costs in terms of each of the programmes or salary bands within the Department.

Table 5.2.1: Personnel costs by programme, 2005/06

Programme	Total Expenditure (R'000)	Compensation of Employees/Social Contributions (R'000)	Training Expenditure (R'000)	Goods and Services (R'000)	Personnel costs as a percent of total expenditure	Average personnel cost per employee (R'000)	Total number of employees
	A	B	C	D	E	F	G
Programme 1	167,291	67,174	1,370	9,496	40%	137	492
Programme 2	1,629,951	732,167	5,850	47,973	45%	119	6,128
Programme 3	255,851	157,556	0	315	62%	135	1,164
Programme 4	1,295,905	805,659	3,038	55,970	62%	122	6,585
Programme 5	1,980,705	1,146,347	1,597	68,925	58%	135	8,493
Programme 6	79,009	26,787	79,009	1,267	34%	90	298
Programme 7	93,075	40,920	203	14	44%	92	443
Programme 8	217,025	0	0	0	0%	0	0
Total	5,718,812	2,976,610	91,067	183,960	52%	126	23,603

Notes:

- The above expenditure totals and personnel totals excludes Medsas (105) and EU Funding (30).
- Expenditure of sessional, periodical and extraordinary appointments are included in the expenditure but not in the personnel totals which inflate the average personnel cost per employee.
- Compensation of Employees / Social Contributions: This excludes SCOA item HH/Employer Social Benefits on BAS.
- Goods and Services: Consists of the SCOA item Consultants, Contractors and Special Services on BAS.
- The total number of employees is the average of employees that was in service as on 2005/03/31 and 2006/03/31.

Table 5.2.2: Personnel costs by salary bands, 2005/06

Salary bands	Personnel Expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)	Total number of employees
Lower skilled (Levels 1 - 2)	219,026	7.37	51	4,284
Skilled (Levels 3 - 5)	603,887	20.31	80	7,531
Highly skilled production (Levels 6 - 8)	1,219,539	41.01	133	9,139
Highly skilled supervision (Levels 9 - 12)	871,587	29.31	342	2,549
Senior management (Levels 13 - 16)	59,703	2.01	597	100
Total	2,973,742	100.00	126	23,603

Notes:

- The above expenditure totals excludes the Medsas (106) and EU Funding Personnel (27).
- Expenditure of sessional, periodical and extraordinary appointments are included in the expenditure but not in the personnel totals which inflate the average personnel cost per employee.
- The SMS cost includes commuted overtime of Health Professionals which inflates the average personnel cost per employee.

The following tables provide a summary per programme (Table 5.2.3) and salary bands (Table 5.2.4), of expenditure incurred as a result of salaries, overtime, home owners allowance and medical assistance. In each case, the table provides an indication of the percentage of the personnel budget that was used for these items.

Table 5.2.3: Salaries, Overtime, Home Owners Allowance and Medical Assistance by programme, 2005/06

Programme	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Programme 1	58,850	87.61	620	0.92	767	1.14	2,781	4.14
Programme 2	675,552	92.27	31,977	4.37	9,939	1.36	29,152	3.98
Programme 3	132,133	83.86	3,370	2.14	1,804	1.14	7,823	4.97
Programme 4	702,537	87.20	54,196	6.73	13,310	1.65	32,784	4.07
Programme 5	968,892	84.52	123,191	10.75	16,956	1.48	42,439	3.70
Programme 6	21,496	80.25	355	1.33	470	1.75	1,110	4.14
Programme 7	36,148	88.34	2,372	5.80	993	2.43	1,726	4.22
Total	2,595,608	92.72	216,081	7.72	44,239	1.58	117,815	4.21

Notes:

- The above expenditure totals excludes the Medsas and EU Funding personnel.
- Expenditure of sessional, periodical and abnormal appointments are included in the expenditure.
- Expenditure of the joint establishment (universities conditions of service) is excluded in the above.

- Commuted overtime is included in salary bands Highly skilled supervision (Levels 9 - 12) and Senior Management (Levels 13 - 16).

Table 5.2.4: Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands, 2005/06

Salary Bands	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Lower skilled (Levels 1 - 2)	199,977	84.21	3,468	1.46	7,479	3.15	8,103	3.41
Skilled (Levels 3 - 5)	540,920	98.02	17,784	3.22	14,936	2.71	30,247	5.48
Highly skilled production (Levels 6 - 8)	1,105,302	93.79	36,258	3.08	19,036	1.62	58,943	5.00
Highly skilled supervision (Levels 9 - 12)	698,728	88.93	151,505	19.28	2,786	0.35	18,568	2.36
Senior management (Levels 13 -16)	50,681	84.78	7,066	11.82	2	0	1,954	3.27
Total	2,595,608	94.22	216,081	7.84	44,239	1.61	117,815	4.28

Notes:

- The above expenditure totals excludes the Medsas and EU Funding Personnel.
- Expenditure of sessional, periodical and abnormal appointments are included in the expenditure.
- Expenditure of the joint establishment (universities conditions of service) is excluded in the above.
- Commuted overtime is included in salary bands Highly skilled supervision (Levels 9 -12) and Senior Management (Levels 13 - 16).

5.3 Employment and Vacancies

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment. This information is presented in terms of three key variables: - programme (Table 5.3.1), salary band (Table 5.3.2) and critical occupations (Table 5.3.3). Departments have identified critical occupations that need to be monitored. Table 5.3.3 provides establishment and vacancy information for the key critical occupations of the Department.

The vacancy rate reflects the percentage of posts that are not filled.

Table 5.3.1: Employment and vacancies by programme, 31 March 2006

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Programme 1	603	327	45.77	41
Programme 2	8,805	6,269	28.80	78
Programme 3	1,384	1,247	9.90	6
Programme 4	8,809	6,802	22.78	98
Programme 5	9,707	8,367	13.80	96
Programme 6	891	221	75.20	3
Programme 7	614	425	30.78	3
EU Funding Posts	0	0	0	27
Medsas	171	97	43.27	9
Total	30,984	23,755	23.33	361

Note:

- Nature of appointments sessional is excluded.
- Nature of appointments periodical and abnormal is also excluded. No posts.
- Number of posts includes 2,638 unfunded posts which inflates the vacancy rate.²⁰
- The vacancy rate for Program 6 includes student posts that became vacant as a result of the allocations of bursaries to new intakes.

Table 5.3.2: Employment and vacancies by salary bands, 31 March 2006

Salary band	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1 - 2)	5,449	4,062	25.45	22
Skilled (Levels 3 - 5)	10,253	7,804	23.89	118
Highly skilled production (Levels 6 - 8)	11,850	9,124	23.00	65
Highly skilled supervision (Levels 9 - 12)	3,101	2,570	17.12	120
Senior management (Levels 13 - 16)	160	98	38.75	0
EU Funding Posts	0	0	0	27
Medsas	171	97	43.27	9
Total	30,984	23,755	23.33	361

Notes:

- Nature of appointments sessional is excluded.
- Nature of appointments periodical and abnormal is also excluded. No posts.
- Number of posts includes 2,638 unfunded posts.²⁰

²⁰ In terms of the Draft Comprehensive Service Plan, the situation will change as there will not be any unfunded vacancies in future.

Table 5.3.3: Employment and vacancies by critical occupation, 31 March 2006

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Medical Ort & Prosthetist	27	12	55.56	0
Medical Physicist	13	9	30.77	1
Clinical Technologist	105	81	22.86	9
Pharmacist	432	287	33.56	18
Industrial Technician	74	53	28.38	0
Total	651	442	32.10	28

Notes:

- Nature of appointment sessional is excluded.
- Nature of appointments periodical and abnormal is also excluded. No posts.

5.4 Job evaluation

The Public Service Regulations, 1999 introduced job evaluation as a way of ensuring that work of equal value is remunerated equally. Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. This was complemented by a decision by the Minister for the Public Service and Administration that all SMS jobs must be evaluated before 31 December 2002.

The following table (Table 5.4.1) summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

Table 5.4.1: Job Evaluation, 1 April 2005 to 31 March 2006

Salary band	Number of posts	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1 - 2)	5,534	15	0.27	15	0.00	0	0.00
Skilled (Levels 3 - 5)	10,489	433	4.13	432	99.77	1	0.23
Highly skilled production (Levels 6 - 8)	12,042	106	0.88	104	98.11	2	1.89
Highly skilled supervision (Levels 9 - 12)	3,265	83	2.54	83	100.00	0	0.00
Senior Management (Service Band A)	134	22	16.42	22	0.00	0	0.00
Senior Management (Service Band B)	29	0	0.00	0	0.00	0	0.00
Senior Management (Service Band C)	3	0	0.00	0	0.00	0	0.00
Senior Management (Service Band D)	1	0	0.00	0	0.00	0	0.00
Grand Total	31,497	659	2.09	656	99.54	3	0.46

Notes:

- Nature of appointments sessional is excluded.

The following table provides a summary of the number of employees whose salary positions were upgraded due to their posts being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into new posts and some of the posts upgraded could be vacant.

Table 5.4.2: Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2005 to 31 March 2006

Beneficiaries	African	Asian	Coloured	White	Total
Female	92	3	236	84	415
Male	50	1	153	15	219
Total	142	4	389	99	634
Employees with a disability	0	0	0	0	0

Notes:

- Nature of appointment sessional is excluded.

The following table summarises the number of cases where remuneration levels exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

Table 5.4.3: Employees whose salary level exceed the grade determined by job evaluation, 1 April 2005 to 31 March 2006 (in terms of PSR 1.V.C.3)

Occupation	No of employees	Job evaluation level	Remuneration level	Reason for deviation
Physiotherapist	1	6	7	Retention of services due to better job offer
Professional Nurse	4	6	7	Retention of services due to better job offers
Specialist	9	11	12 (6 - 1 st notch, 1 - 4 th notch, 1 - 7 th notch, 1 - 16 th notch)	Scarce skills & Recruitment & Retention of services due to specific skills
Senior Specialist	1	12	13 (Remuneration Band A)	Retention of services due to better job offer
Principal Medical Officer	2	11	12	Recruitment & retention of services due to better job offer
Artisan Foreman	1	7	8 (14 th notch)	Retention of services due to better job offer
Senior Artisan Superintendent	1	9	9 (3 rd notch)	Recruitment of services due to specific skills
Deputy Director: EMS	1	12	12 (16 th notch)	Scarce skills & retention of services due to specific skills
Assistant Director: HRM	1	9	10 (16 th notch)	Retention of services due to better job offer
Administrative Officer	1	7	8	Retention of services due to better job offer
Total Number of Employees whose salaries exceeded the level determined by job evaluation in 2005/06				22
Percentage of total employment				0.093

Table 5.4.4 summarises the beneficiaries of the above in terms of race, gender, and disability.

Table 5.4.4: Profile of employees whose salary level exceed the grade determined by job evaluation, 1 April 2005 to 31 March 2006 (in terms of PSR 1.V.C.3)

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	5	6	11
Male	2	0	2	7	11
Total	2	0	7	13	22

5.5 Employment changes

This section provides information on changes in employment over the financial year.

Turnover rates provide an indication of trends in the employment profile of the Department. The following tables provide a summary of turnover rates by salary band (Table 5.5.1) and by critical occupations (Table 5.5.2). (These "critical occupations" should be the same as those listed in Table 5.3.3).

Table 5.5.1: Annual turnover rates by salary band for the period 1 April 2005 to 31 March 2006

Salary Band	Number of employees per band as on 1 April 2005	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Lower skilled (Levels 1 - 2)	4,495	560	587	13.06
Skilled (Levels 3 - 5)	7,184	1,718	1,245	17.33
Highly skilled production (Levels 6 - 8)	9,158	1,481	1,358	14.83
Highly skilled supervision (Levels 9 - 12)	2,420	1,000	803	33.18
Senior Management (Service Band A)	80	2	7	8.75
Senior Management (Service Band B)	16	1	2	12.50
Senior Management (Service Band C)	3	0	1	33
Senior Management (Service Band D)	1	0	0	0
Total	23,357	4,762	4,003	17.14

Notes:

- Nature of appointment sessional is excluded.
- Nature of appointments periodical and abnormal is also excluded. No posts.

Table 5.5.2: Annual turnover rates by critical occupation for the period 1 April 2005 to 31 March 2006

Occupation	Number of employees per occupation as on 1 April 2005	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Clinical Technologists	78	17	16	20.51
Industrial Technician	51	5	2	3.92
Medical Ort & Pros	19	0	7	36.84
Medical Physicist	8	3	2	25.00
Pharmacists	272	209	197	72.43
Total	428	234	224	52.34

Notes:

- Nature of appointment sessional is excluded.
- Nature of appointments periodical and abnormal is also excluded. No posts.
- Any difference in numbers between 2005 and 2006 is a result of the rectification of occupational classification and Job Title codes.

Table 5.5.3 identifies the major reasons why staff left the Department.

Table 5.5.3: Reasons why staff are leaving the Department

Termination Type	Number	% of total
Death	64	1.64
Resignation	1,203	30.81
Expiry of contract	2,159	55.29
Dismissal – operational changes	0	0.00
Dismissal – misconduct	61	1.56
Dismissal – inefficiency	1	0.03
Discharged due to ill-health	107	2.74
Retirement	218	5.58
Other	92	2.36
Total	3,905	100.00
Total number of employees who left as a % of the total employment		16.44

Notes:

- Nature of appointment sessional is excluded.
- Nature of appointments periodical and abnormal is also excluded. No posts.

Table 5.5.4: Promotions by critical occupation

Occupation	Employees as at 1 April 2005	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
Clinical Technologists	78	3	3.85	62	79
Industrial Technician	51	1	1.96	45	88
Medical Ort & Pros	19	1	5.26	12	63
Medical Physicist	8	1	12.50	4	50
Pharmacists	272	9	3.31	105	38.60
Total	428	15	3.50	228	53.27

Notes:

- Nature of appointment sessional is excluded.
- Nature of appointments periodical and abnormal is also excluded. No posts.
- Promotions to another salary level includes event 10 – Promotion and 52- Promotion: Package SMS.
- Progression to another notch within a salary level includes event 61 – Pay Progression, but excludes event 62 – Higher Notch PSR 2001 I.V.C.3 and event 63 – Higher Notch PS Act 1994, Section 37(2)(c)
- The above figures excludes the upgrading of 4 persons in the categories Clinical Technologist (1), Med Physicist (2) and Pharmacist (1) respectively.

Table 5.5.5: Promotions by salary band

Salary Band	Employees 1 April 2005	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1 - 2)	4,495	42	0.93	3,900	86.76
Skilled (Levels 3 - 5)	7,184	277	3.86	5,754	80.09
Highly skilled production (Levels 6 - 8)	9,158	389	4.25	7,497	81.86
Highly skilled supervision (Levels 9 - 12)	2,418	109	4.51	1,381	57.11
Senior management (Levels 13 - 16)	102	6	5.88	42	0
Total	23,357	823	3.52	18,574	79.52

Notes:

- Nature of appointment sessional is excluded.
- Nature of appointments periodical and abnormal is also excluded. No posts.
- The above figures include personnel of the Medsas.
- Promotions to another salary level includes event 10 – Promotion and 52- Promotion: Package SMS.
- Progression to another notch within a salary level includes event 61 – Pay Progression, but excludes event 62 – Higher notch PSR 2001 I.V.C.3 and event 63 – Higher Notch PS Act 1994, Section 37(2)(c)

5.6 Employment equity

The tables in this section are based on the formats prescribed by the Employment Equity Act, 55 of 1998.

Table 5.6.1: Total number of employees (including employees with disabilities) in each of the following occupational categories (SASCO) as on 31 March 2006

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials & managers	3	8	1	11	0	2	0	7	32
Professionals	112	323	148	951	131	432	131	889	3,117
Technicians and associate professionals	179	465	7	144	723	3,229	40	1,074	5,861
Clerks	156	771	2	144	270	1,094	7	502	2,946
Service and sales workers	246	1,005	27	162	769	4,835	9	509	7,562
Craft and related trades workers	5	77	1	78	0	2	0	0	163
Plant and machine operators and assemblers	33	220	1	10	26	145	0	5	440
Elementary occupations	407	1,032	2	80	460	1,995	2	17	3,995
Total	1,141	3,901	189	1,580	2,379	11,734	189	3,003	24,116
Employees with disabilities	2	23	0	28	2	14	0	23	92

Notes:

- Nature of appointment sessional is excluded.
- Nature of appointments periodical and abnormal is also excluded. No posts.
- The above figures include the Medsas and EU Funded personnel.
- Total number of employees includes 361 employees additional to the establishment.

Table 5.6.2: Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2006

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	2	0	0	0	1	3
Senior Management	4	10	8	53	0	2	0	18	95
Professionally qualified	87	378	123	914	88	281	88	743	2,702
Skilled technical	253	1,251	51	414	814	4,687	83	1,696	9,249
Semi-skilled	385	1,322	5	137	960	4,626	16	523	7,974
Unskilled	412	940	2	60	517	2,138	2	22	4,093
Total	1,141	3,901	189	1,580	2,379	11,734	189	3,003	24,116

Notes:

- Nature of appointment sessional is excluded.
- Nature of appointments periodical and abnormal is also excluded. No posts.
- The above figures include the Medsas and EU Funded personnel.
- Senior Management includes Senior Professionals.
- Total number of employees includes employees additional to the establishment.

Table 5.6.3: Recruitment for the period 1 April 2005 to 31 March 2006

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	1	1	0	0	0	0	0	0	2
Professionally qualified	29	122	54	290	37	101	49	263	945
Skilled technical	80	121	31	98	171	483	63	365	1,412
Semi-skilled	146	297	2	29	428	687	9	97	1,695
Unskilled	73	166	0	21	101	169	0	29	559
Total	329	707	87	438	737	1,440	121	754	4,613
Employees with disabilities	0	2	0	0	0	0	0	1	3

Notes:

- Nature of appointment sessional is excluded.
- Nature of appointments periodical and abnormal is also excluded. No posts.
- The above figures include the Medsas and EU Funded personnel.
- Senior Management includes Senior Professionals.

Table 5.6.4: Promotions for the period 1 April 2005 to 31 March 2006

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	1	2	0	2	0	0	0	1	6
Professionally qualified	5	19	3	36	4	20	0	22	109
Skilled technical	20	50	1	8	44	234	2	30	389
Semi-skilled	22	61	0	4	41	136	0	13	277
Unskilled	9	13	0	1	6	13	0	0	42
Total	57	145	4	51	95	403	2	66	823
Employees with disabilities	0	2	0	0	0	0	0	0	2

Notes:

- Nature of appointment sessional is excluded.
- Nature of appointments periodical and abnormal is also excluded. No posts.
- The above figures include the Medsas and EU Funded personnel.
- Senior Management includes Senior (Principal and Chief Specialists) Professionals.

- All Senior Professional posts are advertised nationwide and difficulties are experienced to recruit representative candidates in these highly specialised fields.

Table 5.6.5: Terminations for the period 1 April 2005 to 31 March 2006

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	1	1	5	2	1	0	0	10
Professionally qualified	15	99	44	233	28	71	41	243	774
Skilled technical	39	120	18	110	136	492	51	347	1,313
Semi-skilled	84	252	1	23	244	523	5	92	1,224
Unskilled	52	146	0	22	63	267	0	34	584
Total	190	618	64	393	473	1,354	97	716	3,905
Employees with disabilities	0	0	0	1	0	1	0	0	2

Notes:

- Nature of appointment sessional is excluded.
- Nature of appointments periodical and abnormal is also excluded. No posts.
- The above figures include the Medsas and EU Funded personnel.
- Senior Management includes 5 Senior Professionals and 5 Managers.
- Of the 10 Senior Management 4 were retirements, 1 expiry of contract and 5 resignations.

Table 5.6.6: Disciplinary Action for the period 1 April 2005 to 31 March 2006

Disciplinary Action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Correctional counselling	7	34	0	3	22	66	0	1	133
Verbal warning	13	44	1	3	24	75	0	5	165
Written warning	26	52	0	4	14	50	0	1	147
Final written warning	12	47	0	5	4	31	0	1	100
Suspension without pay	0	1	0	0	0	0	0	0	1
Fine	0	0	0	0	0	0	0	0	0
Demotion	0	0	0	0	0	0	0	0	0
Dismissal	3	12	0	3	3	27	0	3	51
Not guilty	0	0	0	0	0	0	0	0	0
Case withdrawn	0	0	0	0	0	0	0	0	0
Total	61	190	1	18	67	249	0	11	597

Table 5.6.7: Skills development for the period 1 April 2005 to 31 March 2006

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials & managers	3	11	4	18	2	6	2	9	55
Professionals	268	424	47	166	922	1,743	171	829	4,570
Technicians and associate professionals	73	222	16	94	490	1,536	79	749	3,259
Clerks	79	372	6	106	301	1,070	0	507	2,441
Service and sales workers	121	694	0	109	79	503	0	18	1,524
Skilled agriculture and fishery workers									
Craft and related trades workers	25	93	0	42	82	313	0	0	555
Plant and machine operators and assemblers					107	0	0	0	107
Elementary occupations	164	297	4	0	306	792	0	10	1,573
Total	733	2,113	77	535	2,289	5,963	252	2,122	14,084
Employees with disabilities									

5.7 Performance rewards

To encourage good performance, the Department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, and disability (Table 5.7.1), salary bands (Table 5.7.2) and critical occupations (Table 5.7.3).

Table 5.7.1: Performance rewards by race, gender, and disability, 1 April 2005 to 31 March 2006

	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per employee (R'000)
African					
Male	129	1,141	0.11	391	3
Female	349	2,379	0.15	1,169	3
Asian					
Male	30	189	0.16	250	8
Female	24	189	0.13	169	7
Coloured					
Male	860	3,901	0.22	3,065	4
Female	2,666	11,734	0.23	9,154	3

	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per employee (R'000)
White					
Male	327	1,580	0.21	2,815	9
Female	843	3,003	0.28	4,910	6
Employees with a disability	24	92	0.26		
Total	5,228	24,116	21.68	21,923	4

Notes:

- Nature of appointment sessional is excluded.
- Nature of appointments periodical and abnormal is also excluded. No posts.
- Performance awards include merit awards and allowance 0228.
- Employees with a disability are included in "Total".
- Including Senior Management and Senior Professionals.

Table 5.7.2: Performance rewards by salary bands for personnel below Senior Management Service, 1 April 2005 to 31 March 2006

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee (R'000)	Total cost as a % of the total personnel expenditure
Lower skilled (Levels 1 - 2)	825	4,093	20.16	1,429	2	0.05
Skilled (Levels 3 - 5)	1,543	7,974	19.35	3,940	3	0.14
Highly skilled production (Levels 6 - 8)	2,271	9,249	24.55	10,558	5	0.36
Highly skilled supervision (Levels 9 - 12)	565	2,702	20.91	5,421	10	0.19
Total	5,204	24,018	21.67	21,348	4	0.73

Notes

- Nature of appointment sessional is excluded.
- Nature of appointments periodical and abnormal is also excluded. No posts.
- Performance awards include merit awards and allowance 0228.
- Excluding Senior Management.

Table 5.7.3: Performance rewards by critical occupations, 1 April 2005 to 31 March 2006

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee (R'000)
Clinical Technologists	17	72	23.61	129	8
Industrial Technician	15	53	28.30	120	8
Medical Orth & Pros	5	12	41.67	20	4
Medical Physicist	3	8	37.50	36	12
Pharmacist	58	269	21.56	388	7
Total	98	414	23.67	693	7

Notes:

- Nature of appointment sessional is excluded.
- Nature of appointments periodical and abnormal is also excluded. No posts.
- Performance awards include merit awards and allowance 0228.

Table 5.7.4: Performance related rewards (cash bonus), by salary band, for Senior Management Service, 1 April 2005 to 31 March 2006

Salary Band	Beneficiary Profile			Cost			
	Number of beneficiaries	Number of employees	% of total within band	Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure	Personnel cost per Band (R'000)
Band A	20	81	24.69	466	23	0.010	47,873
Band B	4	14	28.57	109	27	0.012	9,017
Band C	0	2	0.00	0	0	0.000	1,867
Band D	0	1	0.00	0	0	0.000	946
Total	24	98	24.49	575	24	0.010	59,703

Notes:

- Senior Management includes Senior Professionals (Principal and Chief Specialists).

5.8 Foreign workers

The tables below summarise the employment of foreign nationals in the Department in terms of salary bands and by major occupation. The tables also summarise changes in the total number of foreign workers in each salary band and by each major occupation.

Table 5.8.1: Foreign workers, 1 April 2005 to 31 March 2006, by salary band

Salary Band	1 April 2005		31 March 2006		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1 - 2)	3	2.22	2	1.53	-1	25
Skilled (Levels 3 - 5)	8	5.93	7	5.34	-1	25
Highly skilled production (Levels 6 - 8)	39	28.89	41	31.30	2	-50
Highly skilled supervision (Levels 9 - 12)	83	61.48	79	60.31	-4	100
Senior management (Levels 13 - 16)	2	1.48	2	1.53	0	0
Total	135	100.00	131	100.00	-4	100

Notes:

- Nature of appointments sessional, periodical and abnormal not included.

Table 5.8.2: Foreign workers, 1 April 2005 to 31 March 2006, by major occupation

Major Occupation	1 April 2005		31 March 2006		Change	
	Number	% of total	Number	% of total	Number	% change
Admin Office Workers	2	1.48	1	0.76	-1	25.00
Craft Related Workers	1	0.74	1	0.76	0	0.00
Elementary Occupations	5	3.70	2	1.53	-3	75.00
Professionals and Managers	90	66.67	88	67.18	-2	50.00
Service Workers	6	4.44	6	4.58	0	0.00
Plant and Machine Operators	0	0.00	1	0.76	1	-25.00
Technical and Ass Professionals	31	22.96	32	24.43	1	-25.00
Total	135	100	131	100	-4	100.00

Notes:

- Nature of appointments sessional, periodical and abnormal not included.

5.9 Leave utilisation for the period 1 January 2005 to 31 December 2005

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave (Table 5.9.1) and disability leave (Table 5.9.2). In both cases, the estimated cost of the leave is also provided.

Table 5.9.1: Sick leave, 1 January 2005 to 31 December 2005

Salary Band	Total days	% days with medical certification	Number of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1 - 2)	39,708	77.72	3,655	18.93	11	6,022
Skilled (Levels 3 - 5)	63,872	80.53	6,721	34.80	10	13,833
Highly skilled production (Levels 6 - 8)	72,524	81.43	7,700	39.87	9	26,857
Highly skilled supervision (Levels 9 - 12)	8,335	74.60	1,194	6.18	7	5,662
Senior management (Levels 13 - 16)	241	72.20	41	0.22	6	270
Total	184,680	80.00	19,311	100.00	10	54,687

Notes:

- Nature of appointments sessional, periodical and abnormal is not included.
- The annual leave cycle is from 1 January until 31 December of each year.

Table 5.9.2: Incapacity leave (temporary and permanent), 1 January 2005 to 31 December 2005

Salary Band	Total days	% days with medical certification	Number of employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1 - 2)	8,335	99.95	306	26.40	27.24	1,261
Skilled (Levels 3 - 5)	9,359	99.88	383	33.05	24.44	2,083
Highly skilled production (Levels 6 - 8)	12,548	99.98	430	37.10	29.18	4,819
Highly skilled supervision (Levels 9 - 12)	984	100.00	38	3.28	25.89	701
Senior management (Levels 13 - 16)	37	100.00	2	0.17	18.50	43
Total	31,263	99.95	1,159	100.00	26.97	8,797

Notes:

- Nature of appointments sessional, periodical and abnormal is not included.
- The annual leave cycle is from 1 January until 31 December of each year.

Table 5.9.3 summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Table 5.9.3: Annual leave, 1 January 2005 to 31 December 2005

Salary Bands	Total days taken	Average per employee
Lower skilled (Levels 1-2)	97,705	24
Skilled (Levels 3-5)	201,674	26
Highly skilled production (Levels 6-8)	259,166	28
Highly skilled supervision (Levels 9-12)	50,360	20
Senior management (Levels 13-16)	2,686	25
Total	611,591	26

Notes:

- Nature of appointments sessional, periodical and abnormal is not included.
- The annual leave cycle is from 1 January until 31 December of each year.

Table 5.9.4: Capped leave, 1 January 2005 to 31 December 2005

Salary Bands	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2005	Number of employees as at 31 December 2005	Total capped leave available as at 31 December 2005
Lower skilled (Levels 1 - 2)	6,080	1	16	4,148	65,853
Skilled (Levels 3 - 5)	11,267	1	25	7,907	198,607
Highly skilled production (Levels 6 - 8)	15,216	2	37	9,036	331,295
Highly skilled supervision (Levels 9 - 12)	2,330	1	16	2,541	40,553
Senior Management (Levels 13 - 16)	623	6	59	98	5,820
Totals	35,516	1	27	23,730	642,128

Notes:

- Nature of appointments sessional, periodical and abnormal is not included.
- The annual leave cycle is from 1 January until 31 December of each year.

Table 5.9.5: Leave payouts for the period 1 April 2005 to 31 March 2006

REASON	Total Amount (R'000)	Number of Employees	Average payment per employee (R'000)
Leave payout for 2005/06 due to non-utilisation of leave for the previous cycle	188	69	3
Capped leave payouts on termination of service for 2005/06	6,599	313	21
Current leave payout on termination of service for 2005/06	2,118	650	3
Total	8,905	1,032	9

Notes:

- Capped leave are only paid out in case of normal retirement, termination of services due to ill health and death.

5.10 HIV and AIDS and health promotion programmes

Table 5.10.1: Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk

Table 5.10.2: Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	✓		Mrs B Arries Chief Director Human Resources
2. Does the Department have a dedicated unit or has it designated specific staff members to promote the health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	✓		Component Staff Health Wellness Head Office level: Wellness Manager: Ms Sandra Newman Admin Support: Ms Deirdré Bam 4 permanent posts have been added to the establishment: Senior Admin Clerk x 2 Admin Officer x 2 Support at institutional regional level: Groote Schuur Hospital: Gill Reynolds Red Cross Hospital : Gail Davel Tygerberg Hospital: Ebeth Pedro Associated Psychiatric Hospitals: Dr Linda Herring Boland/Overberg Region: James Kruger West Coast Winelands: Nicola Wilson South Cape/Karoo Region: Nuruh Jacobs Metropole: Kay Govender MDHS: Wendy Van Zyl EMS: Shahnaz Adams
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	✓		The Department has implemented a Staff Health and Wellness Programme that comprises of an Employee Assistance and HIV and AIDS programme. <u>Key elements of the Employee Assistance Programme (EAP):</u> The Western Cape Department of Health has created an Employee Assistance Programme (EAP) to support employees with life's challenges. This programme is provided by ICAS; is a free of charge; and is available to employees and their dependants.

Question	Yes	No	Details, if yes
			<p>This multilingual service is available 24 hours a day, 365 days a year and gives access to both telephone and face-to-face counselling, as well as access to Life Management Consultancy services. Some examples of common issues include:</p> <ul style="list-style-type: none"> • Relationships: family; work; partners; friends. • Family: childcare; eldercare; state benefits; • Emotional: stress; substance abuse; depression; trauma; • Financial: money management; debt; • Legal: legal matter; maintenance; child custody; divorce law; consumer rights; • Health issues: HIV and AIDS counselling; illness; • Work: stress management; career matters, maternity; harassment; managing others; and many more. <p><u>Key elements of the HIV and AIDS/STI programmes:</u></p> <p>Programmes aimed at prevention and reduction of HIV infection:</p> <ul style="list-style-type: none"> • To ensure that every employee within the Department receives appropriate and accurate HIV and AIDS/STI risk-reduction education. • To create a non-discriminatory work environment. • To prevent occupational exposure to potentially infectious blood and blood products and to manage those occupational exposures that occurs. • To provide for Voluntary Counselling and Testing services for those employees who wish to determine their own HIV status. • To determine the impact of HIV and AIDS on the Department in order to plan accordingly. <p>Programmes aimed at care, treatment and support of employees living with HIV and AIDS:</p> <ul style="list-style-type: none"> • Provide appropriate medical, psycho-social support and care aimed at improving the quality of life of employees living with HIV and AIDS. • Provide appropriate psycho-social support to employees affected by HIV and AIDS
<p>4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.</p>	✓		<p>HIV and AIDS is seen as a transversal issue in the PGWC. The Department of Health was appointed as the primary driver of the process and therefore have a dual role to play (i.e. to oversee and manage their Departmental programme as well as to manage and co-ordinate the programme within the Province.</p>

Question	Yes	No	Details, if yes
			<p><u>Health Departmental Committee:</u> Ms S Newman: Head Office Ms E Pedro : Tygerberg Hospital Ms G Davel: Red Cross Hospital Dr L Herring: Associated Psychiatric Hospitals Ms Wendy Van Zyl: MDHS Ms S Adams: EMS Ms K Govender: Metropole Mr James Kruger Boland/Overberg Ms N Wilson: South Cape/Karoo</p> <p><u>Provincial Committee (PEAP)</u> Ms S Newman: Health Mr D Marks: Treasury Ms J Meki: Education Ms C Julies: Office of the Premier Ms H Ward: Office of the Premier Ms C Leetz: Community Safety Ms B Claasen-Hoskins: Agriculture Ms E Abrahams: Cultural Affairs and Sport Ms D Foster: Enviromental Affairs Ms J Nonog: Economic Development & Tourism Ms T Mtheku: Social Services Ms J Van Stade: Transport Ms R Gie & Ms I Wanie: Local Government and Housing</p>
5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	✓		The HIV and AIDS Transversal Policy was reviewed and adopted on 13 April 2005. The Transversal Management Framework for EAP was adopted on 10 August 2005.
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	✓		<p>In order to give adherence one of the objectives of the workplace programme is “to create a working environment that is free of discrimination”.</p> <p>The Department:</p> <ul style="list-style-type: none"> • Involve persons living with AIDS in awareness campaigns. We develop (ongoing) awareness & communication strategies. • Have trained peer educators to assist stigma barriers.
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	✓		<p>Objective 5 of the Workplace Programme is to provide VCT to employees. Consequently and in order to maintain confidentiality, the Department has entered into partnerships with the following NGO's to render a VCT service to all employees:</p> <p>Life Line: Metro Region @ Heart: West Coast/Winelands Elgin Community College: Boland/Overberg (only appointed in February 2006) Knysna Regional Office: South Cape/Karoo</p>

Question	Yes	No	Details, if yes																				
			Results: <table border="1"> <thead> <tr> <th>NGO</th> <th>Region</th> <th>No of people attending awareness sessions</th> <th>Employees tested</th> </tr> </thead> <tbody> <tr> <td>Life Line</td> <td>Metropole</td> <td>413</td> <td>382</td> </tr> <tr> <td>@ Heart</td> <td>West Coast/Winelands</td> <td>311</td> <td>183</td> </tr> <tr> <td>Elgin Community College</td> <td>Boland/Overberg</td> <td>45</td> <td>49</td> </tr> <tr> <td>Knysna Regional Office</td> <td>South Cape/Karoo</td> <td>385</td> <td>160</td> </tr> </tbody> </table>	NGO	Region	No of people attending awareness sessions	Employees tested	Life Line	Metropole	413	382	@ Heart	West Coast/Winelands	311	183	Elgin Community College	Boland/Overberg	45	49	Knysna Regional Office	South Cape/Karoo	385	160
NGO	Region	No of people attending awareness sessions	Employees tested																				
Life Line	Metropole	413	382																				
@ Heart	West Coast/Winelands	311	183																				
Elgin Community College	Boland/Overberg	45	49																				
Knysna Regional Office	South Cape/Karoo	385	160																				
8. Has the Department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	✓		Monthly, quarterly and annual statistics and reports are used to determine specific trends and to arrange training/corrective measures.																				

5.11 Labour relations

The following collective agreements were entered into with trade unions within the Department.

Table 5.11.1: Collective agreements, 1 April 2005 to 31 March 2006

Subject matter	Date
Total collective agreements	None

The following table summarises the outcome of disciplinary hearings conducted within the Department for the year under review.

Table 5.11.2: Misconduct and disciplinary hearings finalised, 1 April 2005 to 31 March 2006

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	133	22.28
Verbal warning	165	27.64
Written warning	147	24.62
Final written warning	100	16.75
Suspended without pay	1	0.17
Fine	0	0
Demotion	0	0
Dismissal	51	8.54
Not guilty	0	0
Case withdrawn	0	0
Total	597	100

Table 5.11.3: Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	% of total
Absent from work without permission	363	60.80
Accept compensation without approval from supervisor	1	0.17
Assault/attempts or threatens to assault	1	0.17
Conduct of supervisor/management	1	0.17
Conduct self in improper/unacceptable manner	30	5.03
Contravenes any code of conduct for state	11	1.84
Discriminates against others	2	0.34
Discrimination	1	0.17
Disrespect/abusive or insolent behaviour	19	3.18
Fails to carry out order or instruction	64	10.72
Fails to comply with or contravenes	33	5.53
False statement	2	0.34
Falsifies records or any documents	5	0.84
Participate in unlawful industrial action	2	0.34
Performs poorly	5	0.84
Possesses or wrongfully uses property	9	1.51
Refuse to obey security regulations	1	0.17
Sleeps on duty without approval	2	0.34
Steals, bribes or commits fraud	5	0.84
Under influence of habit-forming/stupefy drugs	15	2.51
Victimisation	1	0.17
Wrongfully possess/use state property	1	0.17
Damages and/or causes loss of state property	21	3.52
Total	597	100

Table 5.11.4: Grievances lodged for the period 1 April 2005 to 31 March 2006

	Number	% of total
Number of grievances resolved	74	97.36
Number of grievances not resolved	2	2.63
Total number of grievances lodged	74	100

Table 5.11.5: Disputes lodged with Councils for the period 1 April 2005 to 31 March 2006

	Number	% of total
Number of disputes upheld	12	19.95
Number of disputes dismissed	51	80.95
Total number of disputes lodged	63	100

Table 5.11.6: Strike actions for the period 1 April 2005 to 31 March 2006

Total number of person working days lost	37.7
Total cost (R'000) of working days lost	R 4,174.89
Amount (R'000) recovered as a result of no work no pay	R 4,174.89

Table 5.11.7: Precautionary suspensions for the period 1 April 2005 to 31 March 2006

Number of people suspended	18
Number of people whose suspension exceeded 30 days	14
Average number of days suspended	64.6
Cost (R'000) of suspensions	R 507,467.23

5.12 Skills development

This section highlights the efforts of the Department with regard to skills development.

Table 5.12.1: Training needs identified 1 April 2005 to 31 March 2006

Occupational Categories	Gender	Number of employees as at 1 April 2005	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials & managers	Female	74		6	4	10
	Male	21		5	5	10
Professionals	Female	1,580		3,230	1,083	4,313
	Male	8,582		976	454	1,430
Technicians and associate professionals	Female	443		2,911	307	3,218
	Male	2,038		972	65	1,037
Clerks	Female	959		1,822		1,822
	Male	1,694		922		922
Service and sales workers	Female	858		1,187		1,187
	Male	912		885		885
Skilled agriculture and fishery workers	Female	0		-		
	Male	0		-		
Craft and related trades workers	Female	264		18		18
	Male	2		178		178
Plant and machine operators & assemblers	Female	222		16		16
	Male	76		136		136
Elementary occupations	Female	1,403		855		855
	Male	2,503		1,365		1,365
Sub-total	Female	5,802		10,045	1,394	11,439
	Male	15,828		5,439	524	5,963
Total		21,630		15,484	1,918	17,402

Table 5.12.2: Training provided 1 April 2005 to 31 March 2006

Occupational Categories	Gender	Number of employees as at 1 April 2005	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials & managers	Female	74		19		19
	Male	21		33		33
Professionals	Female	1,580		2,732	933	3,665
	Male	8,582		488	417	905
Technicians and associate professionals	Female	443	232	2,447		2,679
	Male	2,038	64	307	175	546
Clerks	Female	959		1,878	34	1,912
	Male	1,694		563		563
Service and sales workers	Female	858		622	66	688
	Male	912		894	30	924
Skilled agriculture and fishery workers	Female	0				
	Male	0				
Craft and related trades workers	Female	264		363	32	395
	Male	2		145	15	160
Plant and machine operators & assemblers	Female	222		107		107
	Male	76		104		104
Elementary occupations	Female	1,403		1,045	63	1,108
	Male	2,503		437	28	465
Sub-total	Female	5,802	232	9,213	1,128	10,573
	Male	15,828	64	2,971	665	3,700
Total		21,630	296	12,184	1,793	14,273

5.13 Injury on duty

The following tables provide basic information on injury on duty.

Table 5.13.1: Injury on duty, 1 April 2005 to 31 March 2006

Nature of injury on duty	Number	% of total
Required basic medical attention only	1	1%
Temporary Total Disablement	252	99%
Permanent Disablement	0	0%
Fatal	0	0%
Total	253	100%

5.14 Utilisation of consultants

Table 5.14.1: Report on consultant appointments using appropriated funds

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
EMS: Helicopter service – George	1	3	R 105,000
EMS: GMT Consulting -Tracking System	1	132	R 210,000
EMS: Peninsula Technikon -Paramedic training	1	264	R 304,000
Ministry: Media Officer	1	528	R 31,235 p/m R 749,640
Programme Development: Brian Gibson Issue Management – Healthcare 2010	1	264	R 28,500 p/m R 342,000
Programme Development: Lactation Consulting - training	1	10	R 26,860
Programme Development: Assessment of Food Services Units	2	88	R 63,000
Programme Development: Training Mentorship	1	15	R 14,935
SCM: Asset Manager	1	594	R 228 per hour
Labour Relations: Media and Gender Institute	1	88	R 136,862
Labour Relations: ICAS Employee Assistance Programme	120 psychologist and social workers available for Western Cape Call Centres	528	R 12,92 per person per month
Human Resource Management: Persal – Sakkie van Niekerk	1	792	R 309.32 per hour
Human Resource Management: Persal – Pottie Potgieter	1	264	R 200.00 per hour
Pharmaceutical Services: Joan Du Plessis – Project Manager for Chronic Dispensing Unit	1	132	R 207,360
Business Development: Sourcing Methods – Facilities Management Assignment for Hermanus and Swellendam PPP's	Not available	Not available	R 89,796
Business Development: Ignis Project and Finance – Transaction Advisory services on PPP's	Not available	Not available	R 596,342
Business Development: KPMG – Lentegour Hospital PPP	Not available	Not available	R 922,560
Engineering: Hospital Design Group – Schedule of accommodation for Khayelitsha District Hospital	1	22	R 570,000
Engineering: CSIR Built Environment – Business Plan for re-development of TBH	1	30	R 125,856

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Human Resource Development: Formal Nurse Training Strategy: Scoping and Design Phase	3	10	R 131,240
Groote Schuur Hospital: Streamlining & improving operational reports and management information	1	88	R 120,000
APH: ICAS: Employee Assistance Programme	120 psychologist and social workers available for Western Cape Call Centres	365	R 1,680
APH: Mental Health Review Board	5	330 days total for 5 members	R 485,654
Valkenberg Hospital: ICAS: Employee Assistance Programme	120 psychologist and social workers available for Western Cape Call Centres	365	R 87,933
Valkenberg Hospital: Quality assurance survey	7	5	R 5,100
Valkenberg Hospital: Medical reports – personnel	4	4	R 2,837
Valkenberg Hospital: Meter readings	1	2	R 319
Valkenberg Hospital: Locum – pharmacy	2	10	R11 559.60
Tygerberg Hospital: Healthnikon - training	Not available	Not available	R 112,000
TBH: University of Stellenbosch – training	Not available	Not available	R 106,400
TBH: Skills management	Not available	Not available	R 23,985
TBH: Paragon Generation – training	Not available	Not available	R 35,715
TBH: People Development Africa – training	Not available	Not available	R 21,432
TBH: Healthnikon - Health Nursing School	Not available	Not available	R 48,000
TBH: University of Stellenbosch – training	Not available	Not available	R 45,600
TBH: People Development Africa – training	Not available	Not available	R 29,925
TBH: Cape Peninsula University of Technology - Training Leadership programme	Not available	Not available	R 29,999
Swellendam Hospital PPP	6	Not Calculated	R45,898.33
Hermanus Hospital PPP	6	Not Calculated	R273,221.64
Eerste River Hospital PPP	5	Not Calculated	R19,019.76
PPI: UCT PAH	5	Not Calculated	R350,000.00
Western Cape Rehabilitation Centre PPP	9	Not Calculated	R934,798.39
Private Health Establishment Committee	1	4	R4,135.33
Drafting Medical Tourism Policy	1	4	R4,800.00

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Information Gathering for Budget Review	1	30	R37,760.00
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
45	192	4,937	R6,498,711.68

Table 5.14.2: Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs)

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
EMS: Helicopter service – George	Nil	Nil	Nil
EMS: GMT Consulting Tracking System	Nil	Nil	Nil
EMS: Peninsula Technikon Paramedic training	Nil	Nil	Nil
Ministry: Media Officer	Nil	Nil	Nil
Programme Development: Brian Gibson Issue Management – Healthcare 2010	Nil	Nil	Nil
Programme Development: Lactation Consulting - training	Nil	Nil	Nil
Programme Development: Assessment of Food Services Units	100%	100%	2
Programme Development: Training Mentorship	Nil	Nil	Nil
SCM: Asset Manager	Nil	Nil	Nil
Labour Relations: Media and Gender Institute	Nil	Nil	Nil
Labour Relations: ICAS Employee Assistance Programme	49%	49%	± 60
Human Resource Management: Persal – Sakkie van Niekerk	Nil	Nil	Nil
Human Resource Management: Persal – Pottie Potgieter	Nil	Nil	Nil
Pharmaceutical Services: Joan Du Plessis – Project Manager for Chronic Dispensing Unit	Nil	Nil	Nil
Business Development: Sourcing Methods – Facilities Management Assignment for Hermanus and Swellendam PPP's	Not available	Not available	Not available
Business Development: Ignis Project and Finance – Transaction Advisory services on PPP's	Not available	Not available	Not available

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Business Development: KPMG – Lentegeur Hospital PPP	Not available	Not available	Not available
Engineering: Hospital Design Group – Schedule of accommodation for Khayelitsha District Hospital	Nil	Nil	Nil
Engineering: CSIR Built Environment – Business Plan for redevelopment of TBH	Nil	Nil	Nil
Human Resource Development: Formal Nurse Training Strategy: Scoping and Design Phase	Nil	Nil	Nil
Groote Schuur Hospital: Streamlining & improving operational reports and management information	Nil	Nil	Nil
APH: ICAS: Employee Assistance Programme	49%	49%	± 60
APH: Mental Health Review Board	Nil	Nil	Nil
Valkenberg Hospital: ICAS: Employee Assistance Programme	49%	49%	± 60
Valkenberg Hospital: Quality assurance survey	Nil	Nil	Nil
Valkenberg Hospital: Medical reports – personnel	Nil	Nil	Nil
Valkenberg Hospital: Meter readings	Nil	Nil	Nil
Valkenberg Hospital: Locum – pharmacy	Nil	Nil	Nil
Tygerberg Hospital: Healthnikon - training	Not available	Not available	Not available
TBH: University of Stellenbosch – training	Not available	Not available	Not available
TBH: Skills management	Not available	Not available	Not available
TBH: Paragon Generation – training	Not available	Not available	Not available
TBH: People Development Africa – training	Not available	Not available	Not available
TBH: Healthnikon - Health Nursing School	Not available	Not available	Not available
TBH: University of Stellenbosch – training	Not available	Not available	Not available
TBH: People Development Africa – training	Not available	Not available	Not available
TBH: Cape Peninsula University of Technology - Training Leadership programme	Not available	Not available	Not available
Swellendam Hospital PPP	37.5	54	Not calculated
Hermanus Hospital PPP	37.5	54	Not calculated
Eerste River Hospital PPP	37.5	54	Not calculated
PPI: UCT PAH	37.5	54	Not calculated

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Western Cape Rehabilitation Centre PPP	21.4	21.4	No. of core consultants: 7, of which 1 consultant is from HDI groups. This person spends 70 % of her time on this project.
Private Health Establishment Committee	100	100	1
Drafting Medical Tourism Policy	100	100	1
Information gathering for Budget Review	100	100	1

Table 5.14.3: Report on consultant appointments using Donor funds

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
HIV/AIDS: Peer Education and Monitoring project – University of Cape Town	6	176	R 473,040
Engineering: Collaborative PGWC / IDEU projects – University of Cape Town	1	110	R 97,728
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
2	7	286	R 570,768

Table 5.14.4: Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs)

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
HIV/AIDS: Peer Education and Monitoring project – University of Cape Town	Nil	Nil	Nil
Engineering: Collaborative PGWC / IDEU projects – University of Cape Town	Nil	Nil	Nil