

# ANNUAL REPORT DEPARTMENT OF HEALTH AND SOCIAL SERVICES (DHSS)

SOCIAL SERVICE BUSINESS UNIT  
FOR  
2004/05



1. GENERAL INFORMATION
2. PROGRAMME PERFORMANCE
3. REPORT OF AUDIT COMMITTEE
4. ANNUAL FINANCIAL STATEMENTS
5. HUMAN RESOURCE MANAGEMENT

The Honourable Mr P. E. Pasha  
Member of the Executive Council (MEC)  
Department of Health and Social Services  
Private Bag x 11213  
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1200

Dear MEC

I, Hussain Essop Verachia, the Accounting Officer for the Department of Health and Social Services, hereby submit the Annual Report on the work of the department, to the Executive Authority, the Honourable Member of the Executive Council (MEC) Mr. P. E. Pasha for the financial year ending 31 March 2005.

This Annual Report is for the Social Services component within the Department of Health and Social Services.

H. E. Verachia  
Accounting Officer  
Date: August 2005

## 1. GENERAL INFORMATION

### 1.1. Introduction by the head of the department

The reporting period is characterised by many developments including the merger of the department of Health and Social Services. This therefore called for the streamlining of functions especially within administration where persal data had to be integrated and one banking account had to be opened.

The department had made strides to ensure accountability in service delivery through financial delegations to managers and the signing of performance agreements with middle and senior managers. These measures are to ensure that there are no bottle necks in processes within the department.

Stringent measures taken to contain over-expenditure within Social Assistance Grants programme paid off at the end of the financial year as the department spent within the allocated budget. This was as a result of a number of interventions viz:

- Fraud prevention and anti-corruption strategies by the Internal Audit unit including the Operation Buyisa campaigns conducted during the year.
- Termination of 4718 temporal disability grant cases.
- Amnesty indemnity strategy initiated by the National department which resulted to 5859 amnesty applications received at the end of the financial year.

The department did very well in the payment of social grants as 699,173 beneficiaries were paid exceeding the annual target of 507,722 by 191,451 beneficiaries.

Child protection services remained one of our key focus areas. All three districts in the province have child protection registers. A total of 452 cases were identified and handled accordingly.

The department continued with Operation Nakekela which is a process of early intervention in the identification of orphaned children and placing them in alternative care. Out of this a total of 7 110 children were recommended and placed in foster care.

A study on experiences and aspirations of older persons was completed with recommendations that will be considered in future plans for services to the elderly. The department in collaboration with other key stakeholders has developed an integrated provincial plan of action to address some of the issues raised in the study.

This year saw the training and deployment of youth workers as groundbreakers focusing on HIV and AIDS prevention programmes. The conditional grant for HIV and AIDS further provided for further financial support to community/home based care in order to increase the network of support to children affected by HIV and AIDS. A provincial appraisal of Community Home Based Care (HBC) projects was successfully undertaken. This gave us an overview of the status of HBC and what interventions are to be made by the department

To this end 14 new poverty alleviation projects were funded and 30 previously funded projects were strengthened through an allocation of R5, 151 million.

The second phase of the Emergency Food Relief Scheme was implemented this year once again targeting areas with a high concentration on vulnerable households with the expenditure of less than R200 per month.

This initiative is a necessary response to the significant levels of food insecurity experienced by vulnerable households in the province. However, the programme did not extend to incorporate the sustainability pillar of providing agricultural starter packs by the Department of Agriculture and Conservation.

## **1.2. Information on the office of the Executing Authority**

The office of the executing authority devoted much time in ensuring effective, efficient and integrated services within the department.

This was done through various interventions viz.

- Departmental strategic planning sessions where the new vision and mission of the department was developed
- Political direction was given in terms of departmental priorities
- Outreach meetings of senior management team were held in various welfare facilities where site visits were undertaken and first hand information sought on certain issues.

As our country is part of the global community, various lessons were learnt from other countries that were visited by the executing authority accompanied by line managers. Some of the lessons

learnt have been used to draft departmental strategies to address unemployment and HIV and AIDS.

The executing authority undertook visits in the following:

DATE	COUNTRY	PURPOSE
28 February – 10 March 2005	Germany North Rhine Westphalia Province	<ul style="list-style-type: none"> <li>To explore further areas of cooperation, between Mpumalanga and North Rhine Westphalia Provinces.</li> <li>To participate in a Response Conference (Perspectives of HIV and AIDS Preventions: Think Globally, Act Locally).</li> <li>To learn about the North Rhine Westphalia successful working relationship between Civil Society, Non-Governmental Organizations and Government Departments or Ministries.</li> </ul>
10-31 October 2004	Peoples' Republic of China	<ul style="list-style-type: none"> <li>To learn about the Chinese successful poverty reduction strategies</li> <li>To promote exchange and cooperation and to further the understanding and friendship between China and South Africa.</li> </ul>
11-16 July 2004	Thailand, Bangkok	<ul style="list-style-type: none"> <li>Participated at the XV International AIDS Conference</li> <li>To learn latest development towards management of the HIV and AIDS virus and share lessons and experiences with the global partners</li> </ul>

### 1.3. Mission statement

To provide and promote integrated quality health and social services in partnership with all stakeholders to ensure healthy lifestyles and reduce poverty in all communities of Mpumalanga.

### 1.4. Legislative mandate

The core functions of the department are determined by the following legislation:

- **The Constitution (Act 108 of 1996)** specifically provides for the progressive realisation of social security and provides for measures to protect the rights of children. These two functions are core to the department and are prioritized as constitutionally mandated services.
- **The Child Care Act (Act 74 of 1983 as amended)** provides for the protection and welfare of children, the establishment of children's courts, the adoption of children and for the

establishment of certain institutions among others. The Minister for Social Development has delegated specific provisions of the Act to the provinces.

- **National Welfare Act (Act 100 of 1978)** provides for the registration of welfare organisations and establishes consultative mechanisms to promote service delivery. Certain provisions of this act were assigned to provinces and the department is in the process of developing governance legislation.
- **Social Assistance Act (Act 59 of 1992 as amended)** provides for the payment of social grants and subsidies to not-for-profit organisations. This act was assigned to provinces and an Mpumalanga Social Assistance Act was passed in 2000. However, this act is not yet in operation and Act 59 and its regulations continue to be applicable in the province.
- **Aged Persons Act (Act 812 of 1967 as amended)** provides for measures to protect the rights of older persons.
- **Social Work Act, (Act 110 of 1978 as amended)** provides for the establishment of the South African Council for Social Service Professions, provides for the registration of persons working in the social service professions to promote ethical and professional conduct.
- **Probation Services Act (Act 116 of 1991 as amended)** provides for the rendering of probation services to persons in conflict with the law, including the development of diversion and treatment programmes. It further provides for services to victims of crime as well as crime prevention programmes.
- **The Prevention and Treatment of Drug Dependency Act (Act 20 of 1992)** establishes a National Drug Authority and further provides for the reduction of demand and supply as well as prevention and treatment programmes.
- **White Paper on Developmental Social Welfare (Notice 1108 of 1997)** establishes a policy framework for the provision of developmental welfare services in South Africa. Its main thrust is to provide for the transformation of the delivery system in line with the Constitution and the Reconstruction and Development Programme. **The Ten Point Plan** of the Ministry for Social Development provides further direction on the strategic priorities for the sector.
- **White Paper on a Population Policy for South Africa (Notice 19230 of 1998)** puts in place a framework for achieving our national population and development goals.
- **Non-Profit Organisations Act (Act 71 of 1997)** promotes an enabling environment for the not-for-profit sector and provides for the registration of such organisations.
- **Developmental Social Welfare Services: Financing Policy (General Notice 463 of 1999)** provides for the financing and transformation of services. The policy is currently under review in order to accelerate transformation.

In addition to the above, the department plays a critical role in ensuring the effective implementation of the following policies and legislation:

In terms of the **White Paper for an Integrated Disability Strategy of the Government of National Unity (Notice 299 of 1996)** services are provided to persons with disability.

- In terms of the **Criminal Procedures Act (Act 51 1977 as amended)** social workers provide the courts with pre-sentence reports.
- In terms of the **Domestic Violence Act (Act 116 of 1998)** social workers raise awareness on the provisions of the act and assist survivors of domestic violence to use protection measures afforded to them.
- In terms of the **Mediation in Certain Divorce Matters Act (Act 24 of 1987)** social workers provide reports to the family advocate or the courts upon request in cases where there is a dispute over the custody of minor.



## 2. PROGRAMME PERFORMANCE

### 2.1. Voted Funds

Appropriation	Main Appropriation	Adjusted Appropriation	Actual Amount Spent	Over/Under Expenditure
3 141 010	236 881	3 377 891	3 353 531	24 360
Responsible MEC	MEC for Health and Social Services			
Administering Department	Department of Health and Social Services			
Accounting Officer	Deputy Director-General for Health and Social Services			

### 2.2. Aim of the Vote

A transformed social services system which facilitates the protection, development and empowerment of human capacity and self reliance contributing to a caring and enabling socio-economic environment.

### 2.3. Summary of programmes

#### Strategic goal 1:

#### Promote organisational efficiency, effectiveness and economy

#### Strategic objectives:

1. To provide effective and efficient Human Resource Management.
2. To align personnel budget to programmes.
3. To develop and improve capacity of personnel for effective and efficient service delivery.
4. To improve personnel utilization.
5. To provide legal services, internal audit and planning and information technology services
6. To provide administrative support.
7. To provide effective, efficient management of revenue, expenditure, assets and liabilities in the department.
8. To compile and control departmental budget.
9. To improve financial control systems.

**Strategic goal 2:**

**To render efficient and effective social security service**

**Strategic objectives:**

1. To pay social grants.
2. To maintain social security control systems.
3. To implement social security norms and standards.

**Strategic goal 3:**

**Provide integrated developmental social welfare services**

**Strategic objectives:**

1. To provide child protection services.
2. To accelerate the early identification and services to orphans.
3. To promote social welfare services to older persons, persons with disability, youth and families.
4. To provide services in relation to victim empowerment, social crime prevention and subsistence abuse.
5. To accelerate the transformation services to NGO.
6. To promote public participation.

**Strategic goal 4:**

**To contribute to the establishment of an enabling environment for the development of communities**

**Strategic objectives:**

1. To ensure the effective and efficient administration of poverty alleviation initiatives.
2. To facilitate the implementation of integrated poverty alleviation strategies.
3. To contribute to services that reduces the impact of HIV/AIDS to people infected and affected.

**Strategic goal 5:**

**To provide information regarding demographic and development trends and monitor developmental policy development and implementation**

**Strategic objectives:**

1. To gather analyse and interpret population and human development data.
2. To advocate for the integration of population information into development planning.
3. To monitor departmental policy development and implementation.
4. Conduct research on departmental programmes.

**2.4. Overview of the service delivery environment for 2004/0Programme 2**

The implementation of the National Food Emergency Scheme experienced some delays due to late appointment of service provider. However, the appointment of 11 community liaison officers, assistance by volunteers and the unwavering commitment of officials from the districts distribution of food parcels was successfully managed within the planned three month period. As at the time of this report, Mpumalanga province is one of the three provinces that have completed the distribution process.

One of the mandates, of the department is to educate communities about the services and programmes provided by the department. These public education and awareness creation campaigns have grown from strength to strength as their scope has expanded to include the maximum participation of almost all government departments, private business and civil society generally. Of the 54 campaigns that were planned 57 were conducted.

Though there has not been a formal assessment of impact of the campaigns, there is reported access of services in the areas where campaigns were conducted. These will be intensified in the next year.

Human resource development remained a priority with a view to develop a cadre of workers to ensure provision of a world-class social security service. More operational staff and managers were exposed to the RAU programme during the year of reporting.

There has been a rapid increase in the number of beneficiaries accessing social grants. This is due to the vigorous awareness and registration campaigns that were conducted to increase access to social grants, particularly targeting farming communities and rural areas. However, more emphasis was on the extension of the Child Support Grant, without excluding the other grant types. Preparatory work for the establishment of the new envisaged specialist institution (South African Social Security Agency), increase of access to social grants, especially the Child Support Grant Extension, improvement of pay-points, the temporary disability grant project and improvement of the business processes tested the already understaffed social security directorate. The appointment of 64 contracted workers alleviated the capacity pressure in the Districts.

The component embarked on a process to terminate all the disability grant cases that were accessing the benefit unlawfully. All the necessary administrative processes were followed to ensure that appropriate administrative action was taken. However, the component is still faced with a challenge to embark on a data clean up and review of all temporary disability grant cases.

A total of over 77 470 people were provided with social work services ranging from counselling services to older persons, families, placements of children in terms of the Child Care Act, probation services with the courts. This exceeded the target that was set for the year under review.

A lot of groundwork was done in coordination with other relevant stakeholders to ensure that the system as was proposed by the Child Justice Bill is implemented. It must be acknowledged that, due to limited funding, some of the mandates in the implementation of the Bill could not be carried out. This has led to many instances where there were challenges with regard to the level and quality of service delivery in the implementation of the Child Justice Bill.

The 2004/2005 budget provided for R61 million for the payment to Not for Profit Organisations. Almost 60 per cent of the funding was spent on the protection of and care of children and women and the strengthening of families.

## **2.5. Overview of the organisational environment for 2004/05**

Delay to close the vacancy of the Chief Director leading the core programmes of the Social Services business unit impacted negatively on processes and coordination of the line core businesses. The management of the Social Services business unit has been adversely affected due to lack of support and leadership.

The Development Implementation Support unit experienced positive growth in terms of appointment of personnel in its lifetime except for HIV and AIDS programme. However, the fact that the programme is sustained by conditional grants most of its personnel comprises of contract workers.

## **2.6. Strategic overview and key policy developments for the 2004/05 financial year**

Social Assistance Act (Act 59 of 1992 as amended) provides for the payment of social grants and subsidies to not-for-profit organisations. This act was assigned to provinces and an Mpumalanga Social Assistance Act was passed in 2000. The Social Assistance Act of 2004 has been promulgated, however, this act is not yet in operation and Act 59 and its regulations continue to be applicable in the province.

The South African Social Security Agency of 2004 provides legislative framework for establishment of a focused specialist institution for provision of social security services.

A new policy on financial awards to service providers developed in conjunction with the National Department of Social Development, was finalised during the financial year under review and is ready for implementation in the next financial year. To facilitate the implementation and to assist both service providers and the department with the implementation of the policy, procedure guidelines were further developed

A concerted effort was made to create awareness on social issues and services and to promote volunteer participation during the year. Communities were mobilized around specific themes, including children's rights, human rights, poverty and disability. More effective use was made of

the Provincial events and District education and awareness campaigns, mass media, especially radio and through the distribution of promotional material.

The financial year under review saw the development of the Service Delivery Model for Developmental Social Services. The model reflects the repositioning of the social services sector, in light of Social Security migrating to the Agency.

The need to develop the Service Delivery Model for Developmental Social Services came about because of the following reasons:

The welfarist model was financially unsustainable and inadequately to address the socio-economic needs of the majority of people.

- Existing and growing risks and challenges such as crime, HIV/AIDS, poverty and unemployment needed us to transform the way services are delivered to the communities.

The Department continued to participate in the development of the Older Persons Bill and the Children Bill, which were presented to National Parliament on a number of occasions during this year. It further participated in the costing of the two Bills.

To bring about the sustained improvement in the well - being of the citizen through the establishment of and support to integrated poverty alleviation projects and development of community-based organisations through capacity building initiatives.

- Most of the projects that received funding (new projects and strengthening) were strategically aligned to the Integrated Development Plans of the various municipalities. These strategic links were instrumental to the coordination of services at local level.
- The conditional grant for poverty relief was discontinued with effect from the 31 March 2004. The Independent Development Trust is currently busy with the exit strategy. Its intention being to direct the projects to the relevant departments and agencies for further support and sustenance.

The range of services and support provided to community based care initiatives and to people living with HIV and AIDS and those affected such as orphans, is supported by the following:

- The National Integrated Plan for children affected and infected by HIV and AIDS.
- The funding of home based care.

The business plan for the National Emergency Food Security programme commenced was successfully implemented. The programme was initiated as a response to the escalation of food prices and decrease of nutrition which affected a large number of citizens in the country mainly children.

This relief measure to vulnerable households was successfully implemented as follows:

- Provided food parcels to vulnerable households.
- Funded drop in centres that provide meals to vulnerable target groups.
- Distributed food supplement to people infected by TB & HIV and AIDS to enhance their food nutritional requirements.

## 2.7. Departmental receipts

Departmental Revenue	Actual Collection 2003/04	Budgeted Collection 2004/05	Actual Collection 2004/05	% Deviation from target
Current revenue				
Tax revenue	0	0	0	0
Non-tax revenue	4 410	5 599	2 415	57%
Capital revenue				
(specify)	0	0	0	0
<b>Departmental revenue</b>	<b>4 410</b>	<b>5 599</b>	<b>2 415</b>	<b>57%</b>

The table below provides for a breakdown of departmental own revenue

Departmental Own Revenue	Actual Collections 2003/04	Budgeted Collection 2004/05	Actual Collection 2004/05	% Deviation from target
Commission	73	93	40	57.0%
Refund/Rec. Prev Fin Year	418	531	228	57.1%
Stale Cheques	264	335	145	56.7%
Rental of Official Housing	60	76	33	56.6%
Other	3 596	4 564	1 969	56.9%
<b>TOTAL</b>	<b>4 410</b>	<b>5 599</b>	<b>2 415</b>	<b>57.0%</b>

### Specific challenges and responses

Challenges	Response
Decrease on the interest earned on bank led to a decrease on the average revenue collection.	Review the budget for the outer years.



## 2.8. Departmental payments

Programmes	Voted for 2004/05	Roll-overs and adjustments	Virement	Total voted	Actual Expenditure	Variance
Administration	50 910	0	(2 600)	48 310	48 310	0
Social Assistance Grants	2 934 224	213 837	0	3 148 061	3 144 557	3 504
Social Welfare Services	101 957	17 000	1 000	119 957	114 543	5 414
Development and Support Services	50 411	6 044	1 600	58 055	42 999	15 056
Population Development and Demographic trends	3 508	0	0	3 508	3 122	386
<b>TOTAL</b>	<b>3 141 010</b>	<b>236 881</b>	<b>0</b>	<b>3 377 891</b>	<b>3 377 891</b>	<b>24 360</b>

### Specific challenges and responses

Challenges	Response
The late appointment of service providers for the delivery of food parcels.	Continue the programme in the current financial year.
Funding of all eligible applicants for social grants	Awareness campaigns against fraudulent beneficiaries and for eligible beneficiaries

### Issues requiring ongoing attention

- The transfer of the management of the social assistance grants to the South African Social Security Agency.
- The growing number of beneficiaries eligible for social security grants.
- Implications of the findings of the research findings services for older persons.
- The implications of the policy on financial awards.
- The roll out of the Department in learnership programmes and the extended public works programmes.
- The centralisation of financial and human resource management delegations and review of the organisational structure.

## 2.9. Programme performance

### Programme 2 – SOCIAL ASSISTANCE GRANTS

Sub-Programme	Output	Outcome performance /Service delivery Indicator	Actual performance against target	
			2004-2005 Performance Target	Actual Performance
To pay social grants as a safety net to citizens who qualify within 35 working days	Pay Social Grants	Processed applications and payment thereof within 35 working days	100%	75%
		Payment of beneficiaries at pay-point between 8h00 – 16h00	100%	90%
		Payment of not more than 1,000 beneficiaries at pay-points	100%	85%
	<b>Beneficiaries</b>			
	Older Persons		147634	149192
	War Veterans		117	118
	Disability		57356	69201
	Foster Care		5777	11536
	Care Dependency		4378	4286
	Child Support		226000	388893
	Grant in Aid		460	610
	To increase access of the Child Support Extension Grant to children who qualify within 35 working days	Processed and payment of the child support grant to children who fall within the extended age limit	66000 Beneficiaries	75337 Beneficiaries
	Implement the Disability and care dependency grant assessment procedure by establishing additional assessment panels	Newly established Disability Assessment panels	2 Panels	0 Panels
		Assessed disability and care dependency grant applications	4000 Beneficiaries approved	3425 Beneficiaries approved
To increase accessibility of Social Grants to eligible persons	Social Grants accessible to eligible persons	Designed and printed marketing material	60000 Pamphlets	6000 Pamphlets
		Increased number of beneficiaries	3000 Posters	3000 Posters
		Conducted Registration Campaigns	25	57
		Extension of Social Security to farming communities	10	12
		Registration Campaigns		

Sub-Programme	Output	Outcome performance /Service delivery Indicator	Actual performance against target	
			2004-2005 Performance Target	Actual Performance
		Extension of services to farms through Service Points	24	12
Manage the Development of Pay- Points by ensuring provision facilities by 31 March 2007	Pay-Points developed by providing shelter and water	Trained officials on the use of BENEN	30 Officials	30 Officials
		Improved pay-point facilities		
		Purchased tents	0	13
		Hire tents	108	155
		Purchase of water tanks	30	44
		Hired Toilets	30	51
To prevent fraud and corruption through implementation of Operation Buyisa Campaigns by 31 March 2007	Prevent fraud and corruption	Trained pensioner committee members	500 Additional members	362 Additional members
		Reviewed existing beneficiaries by implementing 24 Operation Buyisa Campaigns	6 Campaigns	7 Campaigns
To promote customer care	Customer care	Trained officials on customer care	120	120

### Programme 3 – SOCIAL WELFARE SERVICES

Sub-Programme	Output	Outcome performance /Service delivery Indicator	Actual performance against target	
			2004-2005 Performance Target	Actual Performance
CARE OF THE OLDER PERSONS				
Programmes, services and facilities to provide for social protection programmes, policies and legislation to promote the well-being of older persons	Programmes, services and facilities providing for social protection programmes, policies and legislation	Non-Statutory services provided	2000 Persons	2712 persons reached
		Awareness campaigns held	1 Provincial event 9 Regional events	1 Provincial event and 14 Regional events
		Strategy to deal with Elder Abuse is implemented.	-	-
		Training provided to service providers	432 Persons	445 Persons
		NPO's programmes monitored and evaluated	95 Organisations	95 NPO's were paid and 95 old and 49 new NPO's evaluated and assessed
SERVICES TO PEOPLE WITH DISABILITIES				
Programmes, services and facilities to facilitate the economic empowerment and uphold the rights of persons with disabilities	Economic empowerment and the rights of persons with disabilities uphold.	Non-statutory services provided	1919 Persons	3014 Persons.
		Awareness campaigns held	1 Provincial event 9 Regional events	1 Provincial event 11Regional events
		Training provided to service providers	65 Persons	71 Persons
		Subsidies paid to NPO's	15 Additional community based service  125 Existing organisations	123 NPO's organisations
		NPO's programmes monitored and evaluated	140 Organisations	125 old and 16 new NPO's evaluated and assessed
SOCIAL CRIME PREVENTION				
To provide and ensure that a range of prevention, early intervention and statutory services are available to children, youth and families who are vulnerable and /or are in conflict with the law.	Social protection programmes, policies and legislation in place children in trouble with the law, probation services, integrated justice processes and social crime prevention.	Children diverted away from criminal justice system	3 328 Children diverted	2 521 Children diverted
		Children assessed within 48 hours of arrest	7411 Assessments done	8556 Assessment done
		Number of Pre-trial reports written	371 Pre-trial report written	422 Pre-trial report written
		Number of Pre-sentence reports written	1668 Pre-sentence reports	2147 Pre-sentence reports
		Preliminary enquiries done	6299 Children involved in enquiry	9652 Children involved in enquiry

Sub-Programme	Output	Outcome performance /Service delivery Indicator	Actual performance against target	
			2004-2005 Performance Target	Actual Performance
		Supervision services offered to children	371 Supervision cases	422 Supervision cases
		Residential care for children awaiting trial (Hendrina Secure care centre)	420 Children awaiting trial accommodated	336 Children awaiting trial accommodated
		Crime prevention programmes	35 Regional events	29 Regional events
		Reception Assessment and Referral services extended	1 Additional per Region	0 Additional per Region
		One Stop Child Justice Centre established	-	-
		Alternative sentencing models established (Home based supervision)	1 Alternative sentencing model Ten sites to be implemented in the three regions	0 Alternative sentencing model 0 sites
		Capacity building	4 Training sessions to be held	7 Training sessions to be held
		Subsidies paid to NPO's	4 Organisations	4 Organisations
		NPO's programmes monitored and evaluated	4 Organisations	4 old and 1 new NPO's evaluated and assessed
SUBSTANCE ABUSE				
Programmes, services and facilities to reduce the incidence of substance abuse	Reduced incidence of substance abuse.	Statutory and non-statutory services	321 Persons reached	310 Persons
		Awareness campaigns	23 Campaigns done	17 Campaigns
		Capacity building of staff done	54 Persons to be trained	68 Persons
		Treatment and outreach services to persons affected by substance abuse (Swartfontein centre)	25 Outreach Programmes	18 Outreach Programmes
		Subsidies paid to NPO's	7 Organisations	7 Organisations
		NPO's programmes monitored and evaluated	7 Organisations	7 old and 3 new NPO's evaluated and assessed

Sub-Programme	Output	Outcome performance /Service delivery Indicator	Actual performance against target	
			2004-2005 Performance Target	Actual Performance
CHILD AND YOUTH CARE PROTECTION				
To protect and promote the well-being and the rights of children and youth	The well-being of children and their families protected and promoted.	Number of children and youth reached through Statutory and non statutory services: - Protection - Alternative Care - Therapeutic Counselling	58414 Children and youth	62332 children and youth were provided with social work services ranging from counselling services, placements of children in terms of the Child Care Act, probation services with the courts.
		Drop-in-Centres for Street Children established	2 Centres per region	0 Centres per region
		Capacity building, monitoring and evaluation provided	550 Service providers	850 Service providers
		Awareness campaigns held	4 Provincial events 55 Regional events	3 Provincial events 85 Regional events
		Subsidies paid to NPO's with special focus to farming communities	334 Organisations	334 Organisations
		NPO's programmes monitored and evaluated	332 Organisations	332 old and 98 new NPO's evaluated and assessed
		VICTIM EMPOWERMENT		
Policies, programme services and facilities to provide social protection to and preventing the effects of violence and crime on victims	Provide social protection to and preventing the effects of violence and crime on victims.	Provide accommodation to women victims of domestic violence and their children	63 Survivors accommodated	89 Survivors
		Safe houses established	3 Per region	0
		Perpetrators programme implemented	3 Programmes per region	0
		Capacity building, monitoring and evaluation to service providers and volunteers	30 Persons trained	42 Persons
		Awareness campaigns	2 Provincial events 21 Regional events	2 Provincial events 16 Regional events
		Subsidies paid to NPO's with main focus to farming areas	3 Organisations	3 Organisations

Sub-Programme	Output	Outcome performance /Service delivery Indicator	Actual performance against target	
			2004-2005 Performance Target	Actual Performance
		NPO's programmes monitored and evaluated	3 Organisations	3 old and 5 new NPO's evaluated and assessed
<b>FAMILIES</b>				
To provide for family protection programmes and to implement policies and legislation to promote the well-being of families.	Well-being of families protected and promoted through the implementation of policies and legislation	Non – Statutory services provided	700 New cases	457 Cases
		Number of persons trained on Domestic Violence Act	10 Training sessions per region	4 Ehlanzeni 8 Nkangala 5 Gert Sibande
		Awareness campaigns / events held.	2 Provincial events 9 Regional events	2 Provincial events 7 Regional events
		Subsidies paid to NPO's with main focus to farming areas	3 Organisations	3 Organisations

## Programme 4- DEVELOPMENT AND SUPPORT SERVICES

Sub-Programme	Output	Outcome performance /Service delivery Indicator	Actual performance against target	
			2004-2005 Performance Target	Actual Performance
HIV/AIDS				
To provide capacity to care supporters, families and children to encourage their participation at all levels.	Training provided to personnel.	Staff members trained	50 Staff members	50 staff trained
	Training provided to volunteers.	Trained volunteers on norms and standards	450 Volunteers	750 Volunteers
	Training provided to peer counsellors.	Youth peer counsellors trained	108 Peer counsellors	108 Youth Peer Counsellors trained
	Training provided to older persons.	Trained older persons	150 Older persons	150 older persons trained
	Training provided to child headed households.	Children (orphans) heading households trained on life skills	350 orphans and vulnerable children	350 orphans and vulnerable children trained on life skills
To provide support to Community Home Base Care (CHBC) projects through funding thus strengthening community based responses	Financial support to community projects	Community projects funded	33 Projects	33 HCBC organizations funded
	Child care forums established and supported	Child care forums established and supported	30 Child care forums strengthened	20 Childcare forums supported
	Awareness campaigns held	Awareness campaigns undertaken	4 Campaigns	Campaigns integrated with poverty alleviation awareness campaigns.
POVERTY ALLEVIATION				
To facilitate community organizational development & institution building through capacity building	Local business development service centres strengthened.	Number of local business development service centres strengthened.	6 Local business development centres	Activity discontinued. It is not core competency of the department.
	Training of projects.	Number of trained projects	65 Projects	66 projects trained 414 beneficiaries reached.
	Training of community development facilitators.	Number of trained community development facilitators	35 Trained development facilitators	39 community development facilitators trained
	Public education and awareness campaigns held.	Number of public education and awareness campaigns held	54 Campaigns	63 campaigns held and more than 7800 people reached.
To provide support to community development initiatives / poverty alleviation initiatives through funding	New projects funded.	Number of new funded projects	15 New projects funded	14 newly projects funded
	Existing projects strengthened.	Number of strengthened projects	30 Strengthened projects	30 projects strengthened.



Sub-Programme	Output	Outcome performance /Service delivery Indicator	Actual performance against target	
			2004-2005 Performance Target	Actual Performance
	Market strategy document, brochures, leaflets and billboards.	Approved marketing strategy document.	10 000 Information brochures& leaflets 9 billboards	11 261 information brochures and leaflets purchased Billboard reprioritised
	Provincial function on International Day for Poverty Eradication.	Provincial function on International Day for Poverty Eradication	1 Provincial function	1 Provincial function held
To provide monitoring & evaluation to community development initiatives	Community profile documents.	Number of community profile documents	30 Profiles	Activity discontinued. Reprioritised for 2006/07
<b>FOOD SECURITY</b>				
Provision of emergency food security to vulnerable households through the distribution of food parcels	Vulnerable households reached through emergency food.	Number of households reached	27092 Households	23043 Households (Due to changes in the National programme the target was changed)
	Drop In Centre beneficiaries supported.	Number of beneficiaries supported per drop in centre	1200 Beneficiaries	1200 Beneficiaries
	Food supplements to vulnerable people.	Number of people receiving food supplements	7526 Recipients	6455 Recipients

## Programme 5 – POPULATION DEVELOPMENT AND DEMOGRAPHIC TRENDS

Sub-Programme	Output	Outcome performance /Service delivery Indicator	Actual performance against target	
			2004-2005 Performance Target	Actual Performance
To gather, analyse, and interpret population and human development data	Reports and research studies commissioned or undertaken	Number of reports and research studies commissioned or undertaken	2 Reports	Two Reports and an presentation of the analysis of Census 2001 information
			Follow up study on the orphans	Study on orphans rescheduled for 2005/06. Completed the report on Experiences and Needs of Older Persons in Mpumalanga, which was planned for 2003/04.
			Appraisal on community home base care projects	Appraisal on community home base care projects
To advocate for the integration of population information into development planning	Advocacy strategy in place	Advocacy strategy in place	Implement strategy	Strategy implemented and 21 advocacy opportunities utilized
To monitor departmental policy development and implementation	Policy monitoring strategy in place	Policy monitoring strategy in place	Implement strategy	This function has been taken over by other sections within the department
Conduct research on departmental programs	Impact assessment reports	Impact assessment reports	3 Reports	This function has been taken over by other sections within the department

## 2.10. Service Delivery Achievements

### Programme 2 – SOCIAL ASSISTANCE GRANTS

#### Programme Objective:

To provide a social safety net to citizens, who qualify in terms of the Social Assistance Act, Act 59 of 1992 as amended.

Description of Objective and Performance measure Number of recipients for the various grants paid	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	% Deviation from Target
Old Age	145,590	151,655	149,192	2%
War Veterans	127	109	118	-8.2%
Disability	63,744	74,973	69,201	8%
Grants-in-aid	483	501	610	-21%
Foster Care	6,305	11,255	11,536	-2.4%
Care Dependency	4,069	6,203	4,286	30%
Child Support Grant (0 - 7)	293,575	323,631	295,790	8,6%
Relief of Distress	-	75		

#### Specific challenges and responses

Challenges	Response
<b>Access to Social Grants</b> Increase of access to social grants especially to farming communities in terms of establishing pay-points.	Strengthen partnerships and collaboration with stakeholders.
<b>Social Relief</b> Social relief of distress is a challenge because the Social Welfare component is also providing a similar service in the form of poor relief.  Tedious procedure in procuring social relief.	Develop a joint strategy with social welfare services to address the challenge.  Review procedures pertaining to social relief.
<b>Fraud and corruption</b> Prevalence of fraud and corruption within social security system and processes	Conduct Operation Buyisa. Identify and cancel unlawful beneficiaries. Implementation amnesty/indemnity strategy
<b>Human resource</b> Lack of sufficient human resource tested the already understaffed social security directorate.	Additional 64 contract workers were appointed to provide services in the Districts. A percentage Critical vacant post filled.

## Issues requiring ongoing attention

- Increase of access to social grants
- Enhancement of human resource requires on-going attention. The component has embarked on a recruitment process to ensure that all the critical posts are filled.
- The component is faced with a challenge to finalize all the processes for the South African Social Security Agency to ensure that it is operational by the 1 April 2006. A Project Team has been put in place to deal with all the processes pertaining to the Agency.
- Increase of accessibility to social grants requires on-going attention, especially the Child Support Grant Extension, without excluding the other grant types. Contract workers have been appointed to provide social security services.

### Programme 3 – SOCIAL WELFARE SERVICES

#### Programme Objective:

To provide integrated development welfare services through district offices, service points, and facilities in partnership with not-for profit organisations

Description of Objective and Performance measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	% Deviation from Target
<b>SUBSTANCE ABUSE</b>				
Indicate number of Substance Abuse Government Centres	1	1	1	0%
Indicate number of Substance Abuse NGO's Centres	2	2	2	0%
Indicate number of Counseling services Gov Clients – substance abuse	1150	211	209	-0.05%
Counseling services NGO's Clients – for substance abuse	Refer above (statistics on Govt and NGO's is combined)	110	111	+0.9 %
<b>CARE OF THE AGED</b>				
Indicate number of Homes for the Aged - Government Centres	Nil	Nil	Nil	0%
Indicate number of Homes for the Aged - NGO's Centres	19	19	19	0%
Indicate number of aged counseled by Gov Clients	2079	1500	1724	+14.9%
Indicate number of aged counseled by NGO's	Refer above (statistics on Govt and NGO's is combined)	500	988	+97.6%
Indicate number of Service Centers for Aged	66	65	65	0%
<b>PREVENTION REHABILITATION AND VICTIM EMPOWERMENT</b>				
Number of Children in conflict with the law	8243	7411	8556	+15%
Number of children to whom Probation Services has been rendered	5953	3328	2521	-24.3%
Number of children involved in Diversion Programmes	563	3 328 Children diverted	2 521 Children diverted	-24.3%
Number of children involved in Social and Crime Prevention Programmes	3300	7411 children	7821 Children	+0.5%

Description of Objective and Performance measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	% Deviation from Target
Number of clients who were involved in Rehabilitation and prevention programmes with regard to violence and crime on victims	1729	A formal target was not set.	41 persons	-
<b>SERVICES TO DISABLED</b>				
Indicate number of Protective Workshops – run by Government	Nil	Nil	Nil	0%
Indicate number of Protective Workshops - run by NGO's	-15%	35	35	0%
Indicate number of Homes for Disabled run by Gov	Nil	Nil	Nil	0%
Indicate number of Homes for Disabled run by NGO's	20%	6	6	0%
Counseling services to disabled by Gov officials	93%	1069 Persons	2251 Persons.	+110.5%
Counseling services to disabled by the NGO's Sector	Refer above (statistics on Govt and NGO's is combined)	850 Persons	763 Persons	-10.3%
<b>CHILD AND YOUTH CARE SERVICES</b>				
Indicate number of crèches run by Govt.	NIL	Nil	Nil	0%
Children's Homes run by NGO's.	5	5	5	0%
Counselling services to children by Gov officials.	24864	58414	62332	+6.7%
Counselling services to children by the NGO's Sector.	Refer above (statistics on Govt and NGO's is combined)	Refer above (statistics on Govt and NGO's is combined)	Refer above (statistics on Govt and NGO's is combined)	-

### Specific challenges and responses

Challenges	Response
<b>Shortage Social Workers</b> Social Worker to population ratio currently at 1:25 000. The generic ratios developed, which should be 1:3500, imply that vacant social worker posts should be filled and new posts should be created in line with the ratios identified.	The implementation of the Service Delivery Model. Restructuring of the Social Welfare organisational structure both at Provincial and at District level.  The appointments and training of social auxiliary workers to concentrate on non statutory services which consume a lot of social workers time, to allow social workers to spend more time on statutory services.

Challenges	Response
<b>Information Management</b> There is generally a lack of reliable welfare services information when required. While a number of systems are in place to manage functions such as SOCPEN, BASS and PERSAL, there is no system in place to manage welfare services information.	The department is planning to invest in the development of a software package, which to a large extent will address the challenge for social welfare services statistics. The primary responsibilities of welfare services should be prioritised in the development of a statistical system.
<b>Partnerships with NPO'S</b> Insufficient funding and capacity building of NPO's	Building capacity of Not for Profit Organisations to enable them to be more effective in their functioning and rendering of services. The implementation of the Policy on Financial Awards to NPO's and the increased funding will address this issue.
<b>Specialization /Generalization</b> While generalization is the preferred way of rendering services, specialization should be considered where justified.	Identify court-based work, in particular the needs of children and youth in conflict with the law, probation services and child protection to be introduced as a field of specialization.

#### Issues requiring ongoing attention

- Children affected and infected by HIV/AIDS;
- Capacity building, monitoring and evaluation of Not for Profit Organisations;

## Programme 4- DEVELOPMENT AND SUPPORT SERVICES

### Programme objective:

To bring about the sustained improvement in the well being of citizens through the establishment of and support to integrated poverty alleviation projects and development of community organizations through capacity building initiatives

Description of Objective and Performance measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	% Deviation from Target
Number of Youth Development Projects rendered	1	15	14	7%
Number of clients with HIV/Aids Counseled	-	-	-	-
Number of poverty projects rendered	27	45	44	2%
Number of clients witch benefited by the poverty projects rendered	585	650	626	4%

### Specific challenges and response

Challenges	Response
<b>Contract workers</b> The employees responsible for the HIV and AIDS Programme are on contract basis. This poses a challenge as they may leave the programme as soon as they get permanent employment elsewhere.  The contract workers are also not allowed to drive government vehicles, this causes them to be unable to monitor and evaluate HCBC projects.	Budget provision for HIV and AIDS through equitable share for the appointment of permanent staff.
<b>Monitoring and Evaluation</b> Monitoring and evaluation of HIV and AIDS as well as food security.	Review organogramme to accommodate the appointment of personnel to facilitate and manage monitoring processes.

### Issues requiring ongoing attention

- The Monitoring and Evaluation of HCBC projects.



## Programme 5 – POPULATION DEVELOPMENT AND DEMOGRAPHIC TRENDS

### Programme Objective:

To ensure the implementation of the population policy at provincial and local level

### Specific challenges and response

Challenges	Response
<b>Growing need for information and support</b> The program experienced a growing demand for support with population and development information. Various sections within the department requested support with the interpretation of demographic and development information. A program to reach out to local municipalities has contributed to the increased demand.	The unit is planning a research study to assess the information needs of municipalities in order to prioritise and define information provisioning. In the interim efforts will be focused by targeting municipality with a pilot project.
<b>Translating research results into planning</b> The program completed a research study on the Experiences and Needs of Older Persons in Mpumalanga and was given the task to facilitate the development of an action plan in collaboration with the Program Manager for Older Persons as well as other stakeholders.	The program had a series of working sessions with the Program Manager for Older Persons as well as Non Governmental Organizations. A draft action plan was developed and is currently being negotiated and debated within a task team consisting of provincial government departments.
<b>Monitoring and evaluating the implementation of the Population Policy at provincial level</b> Although monitoring and evaluation of the Population Policy is a function of the Programme 5 it could not be done because of personnel constraints. A request for action in this regard was received from the national Department of Social Development.	The unit has started planning and the department has advertised the post for a manager to support with the implementation of this function.

### Issues requiring ongoing attention

- Ongoing consultation with clients is needed to ensure that information provisioning is needs driven.
- Monitoring of research studies commissioned and undertaken is needed to ensure that information gathered reliable.
- Personnel development will receive ongoing attention to meet the growing need for more specialized analyses.

## 2.11. Transfer Payments

### Programme 3 – Social Welfare Services

#### Services Provided

To contracted with 601 Not for Profit Organisations (NPO's) to provide social welfare services.

Subsidised 601 Not for Profit Organisations, evaluated 601 old and 45 new Not for Profit Organisations. Training of the NPO's service providers in the various programmes.

#### Monitoring

A total of 98 Not for Profit Organisations monitored through 129 visits by social welfare officials.

A quarterly progress report monitoring system in a form of reporting formats for all the NPO's is a requirement. Physical and direct monthly monitoring of projects to monitor and support the implementation process at organisation level is completely inadequate due to shortage of personnel.

Name of Institution	Amount Transferred
<b>PERSONS WITH DISABILITIES</b>	
Homes For Persons With Disabilities	R 5,983,623
Protective Workshops	R 2,593,061
Social Service Organisations	R 1,908,319
Stimulation Centres	R 2,209,783
<b>OLDER PERSONS</b>	
Assisted Living	R 128,713
Homes For Older Persons	R 9,463,651
Service Centres	R 3,979,135
Social Service Organisations	R 472,204
<b>CHILD AND FAMILY CARE</b>	
Centres For Homeless	R 297,092
Children's Homes	R 5,201,249
Groups For Adults	R 75,506
Shelters for Street Children	R 921,671
Social Service Organisations	R 10,329,017
Crèches	R 15,207,985
<b>CRIME PREVENTION</b>	
Social Service Organisations	R 360,523
<b>SUBSTANCE ABUSE</b>	
Substance Abuse	R 1,994,467
<b>TOTAL</b>	<b>R 61,126,000</b>

## **Programme 4 – Development Implementation Support**

### **Services Provided**

Services provided under this programme are inclusive of prevention, financial support and capacity building programmes. (Refer to outputs)

### **Monitoring**

All projects are compelled to adhere to the following funding requirements prior to the approval of the business plan. This is common practice to both HIV and AIDS and poverty alleviation programmes.

- Business plans/Service plans with a clear cash flow plan.
- Signing of the grant agreement. This includes the section 38 (I) (J) of the PFMA.
- Submission of the constitution.
- Active bank account and bank details of the project.
- Projects are expected to submit the monthly reports and financial statements to the district offices on a monthly basis.
- BAS entity form for each project is created on the financial system.
- Funds are transferred directly to project accounts.

Monitoring is provided by 47 community liaison officers for HIV and AIDS, poverty alleviation and food emergency programmes. There are still challenges because of the following reasons:

- Shortage of personnel specifically for the HIV and AIDS programme.
- Monthly monitoring systems for these programmes are available though not adequate.

The current ratio per community liaison officer per project is 1:10 instead of 1:3. The corrective measure would be the appointment of more personnel.

33 HIV and AIDS projects were funded in 2004/05 financial year, and they are as follows

Name of Institution	Amount Transferred
1. Elukwatini-Nhlazatshe HBC	R206, 670
2. Siyakhula Integrated HBC	R296.670
3. Phillisa HBC	R266, 670
4. Isiphephelo HBC	R206, 670
5. Tholimpilo HBC	R206, 670
6. Siyanakekela HBC	R206.670
7. Kutlwano HBC	R296, 670
8. Sithembinkosi HBC	R296, 670
9. Zamokuhle HBC	R296, 670
10. Phumelela After Care Services	R296, 670
11. Siyazenzela HBC	R296, 670
12. Senzokuhle HBC	R296, 670
13. Future View HBC	R296, 670
14. Mgobodi HBC	R206, 670
15. Siyasitana HBC	R302, 670
16. Khulani HCBC	R326, 670
17. Gamanoke HBC	R296, 670
18. Helpmekaar HBC	R296, 670
19. Sizanani HBC	R296, 670
20. Mzinti Shining Orphans	R296, 670
21. Hluvuhukani HBC	R296, 670
22. Moholoholo HBC	R296, 670
23. Emthonjeni HBC	R272, 670
24. Impumelelo Community Service for HIV/AIDS	R296, 670
25. Vukanethemba HCBC	R326, 670
26. Phologang HBC	R278, 670
27. Thembisile HBC	R374, 670
28. Magana AIDS Project	R296, 670
29. MOHEDIC	R314, 670
30. Senzokuhle HBC	R296, 670
31. Phidisa Community Project	R296, 670
32. Pfukani HCBC	R296, 670
33. Sunrise HCBC	R296, 670
<b>GRAND TOTAL</b>	<b>R8, 857, 440</b>

14 new and 30 existing poverty alleviation projects were funded and strengthened respectively:

NAME OF INSTITUTION/PROJECT	AMOUNT TRANSFERRED
1. Zamokuhle Brick making project	R100 000.00
2. Inkosi Iphile Fabric manufacturing project	R100 000.00
3. Zinikeleni project	R100 000.00
4. Masibambane project	R100 000.00
5. Renneiloe construction project	R100 000.00
6. Mphatlalatsane Oil Production Project	R100 000.00
7. Kanyamazane United Leather	R100 000.00
8. Sisonke poultry	R100 000.00
9. Batho Itsoseng brick and clay	R100 000.00

NAME OF INSTITUTION/PROJECT	AMOUNT TRANSFERRED
10. Gaulos Food Outlet	R100 000,00
11. Inhlakanipho Piggery	R100 000,00
12. Middleplaas Roof tiles and Bricks	R100 000,00
13. Sithuthukile Vegetable and Bakery	R100 000,00
14. Mahlonkukeng Arts and Culture	R100 000,00
15. Kwazamokuhle Agricultural Project	R100 000,00
16. Middleplaas Strawberry Agricultural Business	R 100 000,00
17. Masakhane Agricultural Project	R100 000,00
18. Elandsdoorn Women and Nala Poultry	R100 000,00
19. Eureka poultry Club	R100 000,00
20. Vukuzame Vegetable Project	R100 000,00
21. Katjibane Poultry Project	R100 000,00
22. Ikageng Poultry and Vegetable Project	R100 000,00
23. Zenzeleni Poverty Alleviation Project	R100 000,00
24. Witlaagte Broiler Project	R100 000,00
25. Reakagile Community Brick project	R1143 400,00
26. Emalahleni Heritage Kraal	R1143 400,00
27. Retlakgona Vegetable Project	R1143 400,00
28. Vusanani Poultry Project	R143 400,00
29. Siyaya Farmers Association	R143 400,00
30. Molapomogale Vegetable Project	R143 400,00
31. Khutsalani Egg Production	R192 000,00
32. Nkomazi Arts and Craft	R150 000,00
33. Lebohang Wood Works	R160 000,00
34. Vusanani Mushroom Production Association	R160 000,00
35. Silwanendlala Vegetable Project	R130 000,00
36. Kwa-Dela Project	R150 000,00
37. Woodmastres Project	R117 000, 00
38. Bhekokuhle Brick- making Project	R100 000,00
39. Sinamuva Poultry Project	R100 000,00
40. Khutsalani Poultry Project	R100 000,00
41. Vukani Project	R100 000,00
42. Mbonisweni Helping Hands Poultry Project	R100 000,00
43. Block B Vegetable Project	R100 000,00
44. Khutsalani Poultry Project	R234 000, 00
<b>TOTALS</b>	<b>R5 151 000,00</b>

## 6 Drop- in –Centres were supported in 2004/2005

These are institutions, which renders service to the people who because of their difficult situations are unable to prepare food for themselves either because they are sick or are children heading households.

NAME OF INSTITUTION	AMOUNT TRANSFERRED
1. Mashishing Home Based Care	R 525,369.00
2. HIV/AIDS and Support Development Project	R 525,369.00
3. Itereleng Tjakastad Drop-in Centre	R 525,369.00
4. Khanyisa Drop-in Centre	R 525,369.00
5. Nokaneng Community and Home Base Care Project	R 525,369.00
6. Sakhisizwe Home Based Care	R 525,369.00
<b>TOTAL</b>	<b>R 3,152,214.00</b>

## 2.12. Conditional Grants

### Summary of Conditional Grants for 2004/05

(a) *Reporting on grants (per name) shall be represented in the following format:*

Conditional Grant	Total Allocation	Total transfers
	R'000	R'000
HIV and AIDS (Community Based Care)	12 238	12 238
Food Security	31 913	31 913
Child Support Extension	260 013	260 013
<b>TOTAL</b>	<b>304 164</b>	<b>304 164</b>

(b) *Explain whether or not transfers were made as scheduled, into the accredited accounts for the receiving spheres. In situations where payments were either delayed (failure to pay according to the payment schedule) or withheld (non-transfers) explain the reasons and the extent to which the department complied with sections 21 and 22 of the Act.*

The transfer of funds of the child support grant to the provincial treasury was made in accordance with the payment schedule.

The department managed to spend the total amount allocated for child support grant extension, and no funds were retained. Administrative costs of 17% were included in the funds allocated.

The delay to transfer the funds for the HIV and AIDS was due to the fact that the Programme Manager was only employed on the 1<sup>st</sup> of June 2004. However, all 33 HCBC projects were funded by the end of February 2005. Transfer payment to Drop-in-centres was done as scheduled.

The Department managed to pay all recommended projects, and no funds were retained. Administrative costs are included in the funds allocated to projects.

The spending capacity for organisations that were funded through the two grants is satisfactory as their operations are solely dependant on the grant. In most instances the Department is the sole

funder of these organisations. However, according to the grant agreement, organisations are expected to submit monthly reports. There is lack of compliance by most organizations to adhere to this requirement.

Due to lack of human resource in both grants it is difficult to provide close supervision and support in this regard. With the addition of more personnel the situation will improve. In the current financial year 12 posts for Community Liaison Officers for the Food Security Programme and 8 for the HIV and AIDS programme were advertised.

*(c) Indicate whether the transferring department retained any portion of the grant for administration costs. Briefly describe the nature of the administration costs.*

The child support grant had a budget of R 260, 013 000. An amount of R44, 202 000 was put aside for administrative costs which included handling fees for the three contractors and enrolment fees for cash payment, salaries for temporary personnel, stationary, communication, attending meeting, office and computer equipment.

Within the HIV and AIDS programme R 1 633 693 was spent towards the salaries of contract workers. The administrative costs include payment of their salaries, subsistence allowance, office furniture, stationary and computers.

The National food emergency programme had an annual allocation of R 27, 651,000. An amount of R2, 759,786 was set aside for administrative costs. These costs included the following: volunteers' stipends, telephone and fax, catering for meetings, and stationery.



*(d) Summary of budget and expenditure outcomes on conditional grants 2004/2005*

The actual expenditure on the grants amounted to R 292 067 000 from a total budget of R304 181 000 with an average percentage expenditure of 96, 0%. The lowest expenditure is recorded in the Food Security Grant at 64, 6% and the highest by the Child Support Extension Grant at 100%. To clarify the further see next table for details:

Conditional Grant	Total Allocation	Amount Spent	Variance	% Spent
	R'000	R'000	R'000	%
HIV and AIDS (Community Based Care)	12 238	11 445	793	64,6%
Food Security	31 913	20 609	11 304	93,5%
Child Support Extension	260 013	260 013	0	100,0%
<b>TOTAL</b>	<b>304 164</b>	<b>292 067</b>	<b>12 097</b>	<b>96,0%</b>

*(e) Indicate the extent to which the outputs were achieved, providing a comparative analysis of provincial performance against their targets. Where performance fell short of expectations and the grant is continuing, outline the reasons and measures taken to improve performance in the forthcoming years.*

A target of 131 591 children, was set for the child support grant. By the end of the financial year 167 991 children were reached. The target had been exceeded by 36 400 children.

Most of the targets set within the HIV and AIDS conditional grant were achieved. The only shortfall was on employment of staff. Plans are underway to employ staff to avoid this shortfall during the next financial year. The department was allocated an amount of R10, 456, 000 for HIV and AIDS. Programme funds were successfully utilised. A balance of about R793, 000.00 was incurred under the personnel budget. A plan to spend the funds in the next financial year is in place.

The human resource situation in HIV and AIDS has slightly improved with 11-community liaison officers appointed on contract and 2 district coordinators. However, it is far from being adequate. The programme is sustained through the conditional grant. It would be appropriate that the programme begin to be budgeted for under the equitable share.

Performance in the food security programme was satisfactory because the programme managed to reach its objectives in terms of delivering food parcels to the identified beneficiaries. 12 community liaison officers for this programme were appointed in the last quarter on contract. A total of 69129 food parcels were distributed to 23043 households from February to March 2005.

A total of 6455 food supplements valued at R1, 000,000 were distributed to clinics, hospitals, social work offices and at the community home based care centres. The programme budget could not be exhausted due to the delayed commencement of the distribution process, price quoted by service providers was below the tender amount, the tender price was inclusive of the cost of delivery at distribution points and a budget adjustment of R 4, 262, 000 received in November 2004. All of these are rolled over to the next financial year. A plan to utilise the funds was developed.

( f ) *Provide an overall assessment of compliance with the Division of Revenue Act, both by the department and the receiving spheres and explain any measures taken in situations where there was non-compliance.*

In compliance with DORA, monthly and quarterly reports for all three the conditional grants were submitted timeously. All the funded projects signed Grant Agreement forms, which stipulated issues that they need to comply with in terms of the DORA.

## **2.13. Capital investment, maintenance and asset management plan**

### **2.13.1. Capital Investment**

#### **Building projects in progress**

No building projects were in progress.

#### **New building projects planned**

No new building projects were planned.

#### **Facilities to be closed or downgraded**

There were no plans to close down or downgrade any facility.

#### **Maintenance backlog.**

The department has developed a five year infrastructure plan after conducting an audit of all the facilities. However the first year of the plan could not be realised due to the budgetary constraints. This has been costed over the MTEF PERIOD commencing in 2005-2008

### **2.13.2. Asset Management**

#### **Asset holdings**

No major asset holding changes took place, and no disposals, scrapping and losses were reported for period 01 April 2004 to 31 March 2005

#### **Asset Register**

The Department makes use of the LOGIS system for procurement and therefore asset bought reflect through this system to the end user's inventory.

#### **Current state of capital stock**

The assets are still in the same state as for the 2003/04 year, only a year older. Furthermore the LOGIS system do not provide for all the questions normally raised as it in fact is procurement and not an asset system.

#### **Tender processes of projects**

The department appointed a new bid adjudication committee in October 2004. All services procured above R 100 000, 00 have to be processed through this committee. The Bid Evaluation committee was also appointed towards the end of the financial year.

### **2.13.3. Maintenance**

Works started with the water reticulation system and sewerage works of the Swartfontein Centre. There was continuous maintenance of the Hendrina Secure Care Centre.

#### **Management of major emergency and routine maintenance**

All maintenance work is evaluated by the Department of Public Works and recommends what needs to be done. Major maintenance is done through the tender process. Based on a three quotations system, routine maintenance and emergency work is done by the Department of public works or other service providers.

## AUDIT COMMITTEE REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 200

We are pleased to present our report for the financial year ended 31 March 2005.

### **Audit Committee Members and attendance**

The audit committee consists of the members listed below. It is expected to meet three times per annum, as per its approved terms of reference. Seven meetings held during the year under review. Three additional meetings were held subsequent to year-end. During these meetings the audit committee charter, the financial statements and information as well as the audit report for the year ended 31 March 2005 were discussed.

<b>Name of Member</b>	<b>Number of Meetings Attended</b>
Mr FK Buthelezi	7
Mr C Bunting	4
Ms T. Chikane	1 (appointed 02/05)
Ms K Cloete	3

### **Audit Committee responsibility**

The audit committee reports that it has complied with its responsibilities arising from section 38 (1) (a) of the PFMA and Treasury Regulation 3.1.13 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 responsibility as contained there in.

In the conduct of its duties, the Audit Committee has, inter-alia, reviewed the following :-

- The effectiveness of the internal control systems.
- The effectiveness of Internal Audit services.
- The risk areas of the entity's operations covered in the scope of internal and external audits.
- The adequacy, reliability and accuracy of financial information provided by management and other users of such information.
- Accounting and auditing concerns identified as a result of internal and external audits.
- The entity's compliance with legal and regulatory provisions.
- The activities of Internal Audit Services, including its annual work programme, co-ordination with the external auditors, the report of significant investigations and the responses of management to specific recommendations.
- The independence and objectivity of the external auditors.

The Audit Committee is of the opinion, based on the information and explanations given by management and Internal Services and discussions with the independent external auditors on the result of their audits, that the internal accounting controls are adequate to ensure that the financial records may be relied upon for preparing the annual financial statements, and accountability for assets and liabilities is maintained.

Nothing significant has come to the attention of the Audit Committee to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

Notwithstanding the above, the following areas, in the opinion of the Audit Committee, require further attention :-

- Financial Management within hospitals
- Supply Chain Management
- Human Resource Management
- Internal Audit Function
- Asset Management

### **Evaluation of annual financial statements**

The audit committee has

- Reviewed and discussed with Auditor-General and the accounting officer the audited annual financial statements to be included in the annual report.
- Reviewed the Auditor-Generals management letter and management response; and
- Reviewed significant adjustments resulting from the audit.

The audit committee concurs and accepts the conclusion of the Auditor-General on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.

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Chairperson of the Audit Committee  
MR F.K. BUTHELEZI

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Date

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2005**

Report of the Accounting Officer	2
Report of the Auditor-General	18
Accounting Policies	19
Appropriation Statement	26
Notes to the Appropriation Statement	46
Statement of Financial Performance	51
Statement of Financial Position	52
Statement of Changes in Net Assets	53
Cash Flow Statement	54
Notes to the Annual Financial Statements	56
Disclosures Notes to the Annual Financial Statements	65
Annexures	69

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES**  
**VOTE 10**

**REPORT OF THE ACCOUNTING OFFICER**  
**for the year ended 31 March 2005**

1. General review of the state of financial affairs

1.1 Important Policy decisions and strategic issues facing the Department

- Implementation of the Pharmacy Act with regard to the dispensing of medicines
- Establishment of the Health Sciences Training College and increasing the number of students
- Take over of forensic services from the South African Police Services
- Establishment of a facility for chronic mental health patients
- Take over of the SANTA institutions
- Take over of municipal clinics
- Strengthening of emergency medical services
- Roll out of the ARV programme
- The implementation of the findings of the primary health care audit
- Extended Public Works Programme
- Learnership programmes
- Decentralisation of delegations for finance and human resource management
- Implications of the research findings on services for older persons
- Transfer of the management of social assistance grants to the South African Social Security Agency
- Implications of the Financial Awards Policy
- Review of the organisational structure

1.2 Significant events conducted by the Department

<b>Name of Event</b>	<b>Date</b>	<b>Venue</b>
Candlelight Memorial	16 May 2004	Standerton
Internal Children's Day	3 June 2004	Nelspruit
International Day Against Drug Abuse and Illicit Trafficking	26 June 2004	Moutse East
World Population Day	11 July 2004	Pienaar
Mental Health Day	13 July 2004	Kanyamazane
Traditional Healer's Day	28 September 2004	Nelspruit
International Day for Older Person	01 October 2004	Ermelo
World Sight Day	12 October 2004	Tonga
International Day of Poverty Eradication	17 October 2004	Mpheleng
16 Days of Activism	26 November 2004 29 November 2004 09 December 2004	Tonga Daggakraal KwaMhlanga
Launch of AIDS Council	30 November 2004	Nelspruit
World AIDS Day	04 December 2004	Waterval Boven
STI	12 February 2005	KaMlushwa
TB Day	17 March 2005	Komatipoort



**DEPARTMENT OF HEALTH AND SOCIAL SERVICES**  
**VOTE 10**

**REPORT OF THE ACCOUNTING OFFICER**  
**for the year ended 31 March 2005**

**1.3 Major Projects started or completed by the Department**

A number of major capital projects were completed during the year as listed on the table below:

Name of project	Date of completion	Project Value R'000
Piet Retief Hospital	July 2004	61,125
Nurses Home, Nursing School and Crèche Piet Retief Hospital.	September 2004	7,749
Psychiatric Ward-Phase 1. Rob Ferreira Administration Block.	March 2004	6,006
New Administration Block – Phase 1 Themba Hospital.	July 2004	1,999
Medical Ward & Fire Damage Embhuleni Hospital.	March 2004	6,794
Silindile Clinic	April 2004	2,198
Buffelspruit Clinic	December 2004	3,055
<b>TOTAL</b>		<b>88,926</b>

The following major capital projects were started during the year as follows:

Name of project	Date of commencement	Project Value
OPD, Casualty and Pharmacy – Phase 2 at Themba Hospital	September 2004	9,345
OPD, Casualty and Pharmacy – Phase 2 at Rob Ferreira Hospital	November 2004	18,778
New Pharmacy – Phase 1 at Ermelo Hospital	August 2004	3,161
New Administration Block at KwaMhlanga Hospital	November 2004	6,962
OPD, Casualty and Pharmacy – Phase at Mmamethlake Hospital	September 2004	4,162
Upgrade Theatres and Short Stay – Phase 2B at Witbank Hospital	October 2004	6,996
OPD, Casualty, Wards and Administration – Phase1 at Groblersdal Hospital	September 2004	9,100
OPD, Casualty and Pharmacy – Phase 1 at Delmas Hospital	January 2005	9,876
OPD, Casualty and Pharmacy – Phase 1 at Evander Hospital	November 2004	28,094
Kangema CHC	October 2004	4,495
Warburton CHC	October 2004	5,038
Langverwaght CHC	October 2004	4,860
Badplaas CHC	October 2004	4,052
Entombe CHC	October 2004	4,859
Mananga Clinic	November 2004	5,261
Dark City Clinic	March 2005	4,844
Shongwe Hospital, Staff Accommodation	October 2004	489
KwaMhlanga Hospital, Staff Accommodation	October 2004	708
Amajuba Hospital, Staff Accommodation	October 2004	707
Themba Hospital, Staff Accommodation	October 2004	1,017
Sabie Hospital, Staff Accommodation	October 2004	910
Mmamethlake Hospital, Staff Accommodation	October 2004	904

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES**  
**VOTE 10**

**REPORT OF THE ACCOUNTING OFFICER**  
**for the year ended 31 March 2005**

Name of project	Date of commencement	Project Value
Verena Clinic, Staff Accommodation	November 2004	236
Lefiso Clinic Staff Accommodation	October 2004	486
Nokaneng Clinic, Staff Accommodation	October 2004	234
Amsterdam Clinic, Staff Accommodation	October 2004	500
Moloto Clinic, Staff Accommodation	November 2004	486
Perdekop, Staff Accommodation	October 2004	231
<b>TOTAL</b>		<b>136,791</b>

#### 1.4 Spending Trends

The Department had a total budget allocation of R5,762,813,000, R2,384,922,000 for the Health Business Unit and R3,377,891,000 for the Social Services Business Unit.

The Department spent R5, 620,424,000, which is 97.5% with a variance of R142,389,000 of the total budget.

The under expenditure was incurred mainly because of the following reasons:

- The late appointment of service providers for capital projects.
- Although the department has implemented the "scarce skills" and "rural allowance" in compliance with the national directive to attract and retain scarce skills, the department is intensifying its attempts in filling professional positions. These professionals are in demand in all other Provinces.
- The irregular up time of the transversal systems, delayed the processing of payments and orders to service providers.
- These challenges impacted on service delivery programmes and support functions and also led to the under expenditure.

## 2. Services rendered by the department

### 2.1 Services rendered

The Department renders the following services:

- Improve access to HIV and AIDS treatment services
- Managed trauma and violence
- Improved chronic and Geriatric care
- Improved Primary Health Care
- Improved hospital services
- Improved pharmaceutical management
- Quality framework developed
- Maintained health facilities
- Enhanced communication
- Social grant administration
- Social welfare services
- Assistance to people affected and infected by HIV and AIDS
- Sustainable livelihoods
- Administration of financial transfers to social welfare organisations
- Administration of food emergency scheme
- Collection and analysis of social welfare and health information
- Improved adolescent health
- Improved women's health
- Managed rehabilitation services
- Improved mental health

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2005**

- Reduced infection and parasitic disease

## 2.2 Tariff policy

Hospital patients: Non-private

Hospital patients are assessed according to family income (means test) and placed into three distinct groups based on proven income.

Dependents are not to be taken into account for establishing the groupings and persons are only to be grouped in terms of family units.

Family units include a married couple, single parent or a single person with a dependent as defined in the Income Tax Act.

The financial cut-off points for hospital patients are as follows:

**H2 and H3 PATIENTS**

Patients qualifying for PARTIAL subsidization: H2 and H3

Category	Means Test	Subsidization (pay as % of UPFS tariffs)
HO	Individual: Income equal or less than R36,000  Household: Income equal or less than R40,000.	Exempted from paying all fees
H1	Individual: Income between R36 001 and R50,000 per annum  Household: Income between R40 001 and R80,000 per annum	Consultations: 40% Inpatients: 2% Patient and Emergency Transport: 7% Assertive devices: 25% All other services: Free Calculated amounts should be rounded to the nearest R5 to facilitate cash accounting.
H2	Individual: Income between R50 001 and R80 000 per annum  Household: Income between R80 001 and R100 000	Consultations: 70% Inpatients: 6% Patient and Emergency Transport: 15% Assertive devices: 50% All other services: Free Calculated amounts should be rounded to the nearest R5 to facilitate cash accounting.
H3	Individual: Income greater or equal to R80,001 per annum  Household: Income greater or equal to R100,001 per annum	All services listed in the UPFS at 80%.

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES**  
**VOTE 10**

**REPORT OF THE ACCOUNTING OFFICER**  
**for the year ended 31 March 2005**

2.3 Free services

All Primary Health Care Services at all departmental PHC institutions are free in accordance with the National Health Policy.

- I. "Free patient" means a hospital patient who proves he/she receives a social grant or is unemployed.
- II. Free examination, and free medical, hospital and related treatment (including transport related to the treatment) may be given to a person as defined in I above.
- III. Free medical examination, free treatment and free services may only be given to: -
  - (a) Any boarder, excluding a boarder of a private patient;
  - (b) Any boarder baby, excluding a boarder baby of a private patient;
  - (c) A relative, as per definition for diagnostic purposes;
  - (d) Any person suffering from a suspected or confirmed communicable, formidable or notifiable disease as follows:
    - (i) Venereal diseases (excluding complications) only on an outpatient basis and including: syphilis, gonorrhoea, chancroid, LGV (lymphogranuloma venereum), non-specific urethritis, venereal warts, granuloma inguinale, ulcus molle and herpes genitalis;
    - (ii) Pulmonary tuberculosis;
    - (iii) Leprosy;
    - (iv) Cholera;
    - (v) Diphtheria;
    - (vi) Plague;
    - (vii) Typhoid and paratyphoid;
    - (viii) Hemorrhagic fevers;
    - (ix) Meningococcal meningitis;
    - (x) AIDS – only the initial diagnostic procedures and attendant laboratory services are free if patients specifically request for the HIV test to be done. Patients requiring treatment are assessed at the prescribed tariffs for any hospitalisation and accompanying services.
    - (xi) Malaria.

Note: when a patient is admitted to hospital for any other reason/illness and it is established that he/she also suffers from any of the above-mentioned illnesses, the patient is assessed according to the prescribed tariffs.

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES**  
**VOTE 10**

**REPORT OF THE ACCOUNTING OFFICER**  
**for the year ended 31 March 2005**

- (e) A person to whom services are rendered in terms of section 37 of the criminal procedure act, act no. 51 of 1997 as well as the following services at the request of the responsible authority
  - (i) **Assault:** the examination of the alleged victim, the taking of specimens and the completion of the necessary documentation;
  - (ii) **Rape:** the examination of the alleged victim, the taking of specimens and the completion of the necessary documentation, including prophylactic treatment for sexually transmitted infection and prevention of pregnancy, according to the recommended national guidelines;
  - (iii) **Persons with mental disorders:** the examination of prisoners and detainees for medico-legal purposes in terms of the Mental Health Act, Act no. 18 of 1973;
  - (iv) **Post-mortem examinations:** the carrying out of autopsies and attendance at exhumations.
- (f) Any officer of the Department who, in the performance of his/her official duties, handles or comes into contact with any drug, poison, gas, radio-active substances, radio-therapeutic or diagnostic equipment or other electronic equipment and is for this reason required to undergo medical examination and treatment;
- (g) The following persons who are treated for family planning purposes: -
  - (i) An outpatient treated at a family planning clinic;
  - (ii) An inpatient in a family programme for the purpose of a sterilisation operation;
  - (iii) A male or female patient after a failed family planning programme sterilisation procedure in a state hospital;
  - (iv) A patient who visits a clinic or hospital on recommendation of family planning staff, including free transport to such a clinic or hospital, for the specific purpose of being sterilised, notwithstanding the fact that such procedures are performed by a private doctor, however excluding sterilisation for clinical reasons; and
  - (v) Post vasectomy persons for scheduled sperm counts
- (h) Personnel in the employ of the Department who are injured on duty, and for whom the Department accepts liability;
- (i) Persons to whom general health advisory services (including oral health and visits to ante-natal clinics) are provided;
- (j) Persons who present themselves for immunizations and other measures to combat notifiable infectious diseases;
- (k) School children, excluding those children whose medical and/or dental health care might be covered by a medical aid or insurance, for all treatment arising from such letter of authority;
- (l) Committed children, who in terms of section 15 of the Child Care Act, Act No. 74 of 1993 are committed to the care of a children's home or foster parents;
- (m) Any person suffering from any of the following diseases:
  - (i) Kwashiorkor;
  - (ii) Pellagra;
  - (iii) Mentally disturbed patients admitted to psychiatric hospitals in terms of section 9 of the Mental Health Act, 1973.
- (n) Pregnant women who are treated by medical personnel, employed by the Department, for the period commencing from the time the pregnancy is diagnosed to forty-two days after the pregnancy has terminated. If a complication has developed as a result of the pregnancy and until the patient has been cured or the conditions as a result of the complication have stabilized. CTOP (Act No. 92 of 1996) may be applied on the following conditions:

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES**  
**VOTE 10**

**REPORT OF THE ACCOUNTING OFFICER**  
**for the year ended 31 March 2005**

- (1) Upon request of a woman during the first 12 weeks of the pregnancy;
- (2) From the 13th to the 20th week of pregnancy if a medical practitioner, after consultation with the woman, is of the opinion that; -
  - (a) Continued pregnancy poses a risk to the woman's physical or mental health
  - (b) A substantial risk exists that the foetus will suffer from a severe physical or mental abnormality
  - (c) The pregnancy resulted from rape or incest
  - (d) The continued pregnancy will significantly affect the social or economic circumstances of the woman.
- (3) After the 20th week of the pregnancy if a medical practitioner, after consultation with another medical practitioner or midwife, is of the opinion that continued pregnancy would
  - (a) Endanger the woman's life
  - (b) Result in severe malformation of the foetus
  - (c) Would pose risk of injury to the foetus.
- (o) Pregnant women and children under the age of 6 years. Notice 657 of 1994, dated 1 July 1994. As from 1 June 1994, free health services must be provided to:
  - (i) Children under the age of 6 years;
  - (ii) Non-citizens of South Africa who are in groups mentioned in (I) and (II), and who incidentally develop a health problem whilst in South Africa.

Free health services include the rendering of all available health services to the persons mentioned above, including the rendering of free health services to pregnant women for conditions not related to the pregnancy.

- (a) Persons and their dependents who are members of a medical scheme;
- (b) Non-citizens of South Africa who visit South Africa specifically for the purpose of obtaining health Care

IV. Free health services for disabled people

- (i) People with permanent, moderate or severe disability. This includes among others people who move with difficulty and cannot continuously walk between 10 to 200 meters on their own, those who cannot take care of themselves like being able to dress or eat on their own and those with communication problems, vision and hearing difficulties.
- (ii) People that have been diagnosed with chronic irreversible psychiatric disability. These patients will qualify irrespective of the fluctuations in their mental status.
- (iii) Frail older people and long term institutionalised state subsidized patients.

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES**  
**VOTE 10**

**REPORT OF THE ACCOUNTING OFFICER**  
**for the year ended 31 March 2005**

**2.4 Inventories**

The value of inventory on hand as at 31st March 2005 is R203, 035, 466

<b>Item</b>	<b>Value</b>
Medicine	R24, 195,000
Stationery and other consumables	R178, 840,466
<b>Total</b>	<b>R203, 035, 466</b>

The value for medicine includes year-end balances for the depot at Middelburg and at Ekandustria and the value for stationery and other consumables is for all the institutions including the provincial office.

**3. Capacity constraints**

**3.1 Challenges**

The department faced capacity constraints as follows:

- Lack of professional staff at institutions to deliver primary health care and hospital services.
- Poor service delivery standards at health care institutions.
- Growing number of beneficiaries.
- Insufficient funds to fund new social welfare organisations.

**3.2 Interventions**

The following interventions were undertaken to address the challenges:

- The nursing college offered training to 403 students.
- A total of 6 647 officials have undergone training on Primary Health Care.
- A budget amount of over R2,200,000 was set aside to pay for 588 ABET learners.
- To date 548 bursary holders are on study to address the scarce skills in the department.
- Management training short courses have been conducted where a total of 4 247 officials attended.

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES**  
**VOTE 10**

**REPORT OF THE ACCOUNTING OFFICER**  
**for the year ended 31 March 2005**

**4. Organizations to whom transfer payments have been made**

The department made transfer payments to the value of R3,155,486,000.

Transfers per category

<b>Transferees per category</b>	<b>Purpose</b>	<b>Amount transferred R'000</b>	<b>Accounting Arrangements</b>
Municipal districts and clinics.	For district council levies and to render municipal primary health care services.	25,759	Monthly reports.
Departmental agencies and accounts	To facilitate the payment of social assistance grants	2,979,687	Monthly reconciliation.
Mental health care organisations	For mental health care services.	11,013	Payments made on cost recovery basis.
Home based non-profit organisations and care giving individuals.	To provide poverty alleviation to rural communities. To render health and social home based care for people infected with HIV and AIDS within the communities.	73,335	Contracts entered into with transferees and monthly reports are submitted where applicable
Social welfare organisations.	To render social welfare services.	62,601	Contracts entered into with transferees.
Leave gratuity.	To compensate departmental officials for leave credits accumulated upon termination of service.	3,101	Payment is determined as per the value of the credits and is unrequited.

The details of the transfer payments per transferee are stated in the Annexures to the Annual Financial Statements as follows:

- Transfers to municipal clinics and district councils can be viewed in Annexure 1B in the Statement of Transfers Paid to Municipalities.
- Transfers made to departmental agencies and accounts can be viewed in Annexure 1C in the Statement of Transfers to Departmental Agencies and Accounts.
- Transfers made to mental health care centres can be viewed in Annexure 1D in the Statement for Transfers to Public Corporations and Private Enterprises.
- Transfers made to social welfare institutions can be viewed in 1F in the Statement of Transfers to Non-Profit Organisations.
- Transfers to home based care centers and care-givers can also be viewed in Annexure 1F, in the Statement of Transfers to Non-Profit Organisations.
- Transfers for leave gratuity can be viewed in Annexure 1G in the Statement of Transfers to Households.



**DEPARTMENT OF HEALTH AND SOCIAL SERVICES**  
**VOTE 10**

**REPORT OF THE ACCOUNTING OFFICER**  
**for the year ended 31 March 2005**

**5. Corporate governance arrangements**

The department conducted a risk identification exercise. Risk based Internal Audit assignments have been conducted as per the approved Internal Audit operational plan.

The Accounting Officer approved a fraud prevention policy.

Internal audit functions were performed in terms of a co-sourcing arrangement with Price Waterhouse Coopers, which will run until March 2005.

The audit committee was in place in the year under review. The committee met three times.

The following documents were submitted to the audit committee for review:

- Internal audit reports
- Annual Financial Statements
- Internal Audit Charter
- Audit Committee Charter
- Auditor General's Planning Memorandum
- One-year internal audit operational plan and the three-year strategic plan.

Senior managers were required to declare interest in other income bearing activities in which they participate. The members of the Bid Adjudication Committee were required to declare interest in any of the bidding companies wherein they participated in the bid adjudication process.

**6. Events after the reporting period**

The department is in the process of restructuring. This process requires the Department to establish separate management information data bases for the Social Assistance Grants in preparation for the hand over to the South African Social Security Agency and secondly to separate the Department to two votes, namely for the Health Services Business Unit and the Social Services Business Unit.

Processes are underway to take over the SANTA hospitals by the end of July 2005.

The Department is required to take over the municipal clinics and forensic services over the MTEF cycle.

A mental health care facility has been established to provide services for mental health patients who were previously transferred to the Gauteng Province for treatment.

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2005**

**7. Performance information**

The Department successfully completed and approved 8 financial policies on the following:

- Debt Management
- Travel and Subsistence
- Salary and Human Resources
- Fleet Management
- Bookkeeping
- Asset Management
- Provisioning and Procurement
- Revenue Management

Financial information on expenditure and revenue was submitted on a monthly basis to the provincial treasury and the relevant national departments as per the In Year Monitoring System (IYM) reporting format. This reporting format facilitated the monitoring of projected cash flows versus actual expenditure, projected revenue collection versus actual revenue collection and the reasons for deviations from the planned outcomes as well as the proposed corrective measures to address the deviations. Other financial management reports utilised by the department to monitor performance are as follows:

- Paymaster General Account Reconciliation
- Revenue trend
- Cash Flow Projection
- Ledger Reconciliation
- Consolidated financial and non-financial information
- Annual Financial Statements

The books of account were successfully closed on a monthly basis and at year-end and cost centre accounting system was introduced at 8 hospitals, namely:

- Barberton Hospital
- Mmamethlake Hospital
- KwaMhlanga Hospital
- Themba Hospital
- Lydenburg Hospital
- Philadelphia Hospital
- Standerton Hospital
- Evander Hospital

The number of hospitals on the cost centre accounting system was thus increased from 5 hospitals to 13 hospitals as at the end of the financial year under review.

To improve the management of revenue at institutions the following interventions were made:

- A revenue forum was established,
- A revenue action plan was implemented,
- 88 computer equipment and 23 computer printers were purchased to be utilised for the Patient Administration and Billing System.

The procurement processes were improved by the establishment of the Bid Adjudication Committee and the appointment of three officials within the Department to serve in the Joint Bid Adjudication Committee at the Department of Public Works.

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2005**

Strategic planning sessions were conducted followed by a half-year review of performance and a third-quarter review of performance to facilitate the adjustment budget process.

Monthly, quarterly and half year performance reports were prepared to monitor non-financial performance as indicated on the departmental implementation plan and year plan.

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES**  
**VOTE 10**

**REPORT OF THE ACCOUNTING OFFICER**  
**for the year ended 31 March 2005**

**8. SCOPA report**

The information refers to the audit findings and SCOPA recommendations for the 2001/2002 financial year and the 2002/2003 financial year.

**8.1 Annual Reports for the Department of Health**

<b>Reference to previous audit report and SCOPA resolutions</b>	<b>Subject</b>	<b>Findings on progress</b>
<b>Utilization of donor funds (2001/2002 audit report)</b>	No donation should be surrendered .  All donations should be disclosed in the Annual Financial Statements.	Donations are managed according to the PFMA.  All donations received will be disclosed.
<b>Audit Committee and Systems of Internal Audit (2001/2002 audit report)</b>	The Accounting Officer must ensure that the Internal Audit Unit is fully functional and that the Audit Committee is operational	The Internal audit Unit is functioning and a Director as been appointed.  The Audit Committee has been appointed and meets as prescribed.
<b>Internal control weaknesses (2001/2002 audit report)</b>	All stock and/or medication entering or exiting any hospital or departmental stores or dispensary should be recorded and accounted for.	Registers are in place to record the movement of stock.
	Purchase of medication should be properly supervised and managed by senior officials.	The pharmaceutical stock management system is in place for the management of pharmaceutical items. A Director for pharmaceutical services has been appointed and pharmacists have been appointed to for hospitals to manage .who supervise the purchase of medication.
<b>Late submission of audit information (vouchers) (2002/2003)</b>	Information required for audits should be submitted on time.	All information required for audit purposes is now submitted timeously.

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES**  
**VOTE 10**

**REPORT OF THE ACCOUNTING OFFICER**  
**for the year ended 31 March 2005**

<b>Reference to previous audit report and SCOPA resolutions</b>	<b>Subject</b>	<b>Findings on progress</b>
		Additional staff has been appointed and systems are put in place to ensure adherence.
<b>Fruitless and wasteful expenditure, R6,394,239.67</b>		
<b>R304,315.29, reinstatement of an official</b>	The department should fastrack the labour dispute processes.	The Department has improved the handling of disciplinary matters, which vary from one to the other thus the resultant outcomes vary depending on appeals and labour court settlements. All disciplinary matters are handled to promote sound and accountable administrative functioning of the Department.
<b>R28,202.81, penalty interest</b>	The Committee Condone the expenditure. Officials who incur interest that could have been avoided must be charged.	Additional staff has been appointed and systems put in place to deal with occurrences. Officials have been alerted that such negligence will result in disciplinary steps being taken against them.
<b>R4,254,427.00 payments made on basis of quotations</b>	The Department must investigate and provide information on whether the department received value for money on each payment as well as the assurance that no official benefited from the process.	The Department did get value for money for each payment that was made and measures have been put in place to ensure optimal value or money to the Department and not a self enrichment process for officials within the Department.

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES**  
**VOTE 10**

**REPORT OF THE ACCOUNTING OFFICER**  
**for the year ended 31 March 2005**

Reference to previous audit report and SCOPA resolutions	Subject	Findings on progress
		The shortcomings with regard to the use of quotations has been addressed through the establishment of financial committees as per the Supply Chain Policy Guidelines.
<b>R112,979.29 purchasing of service uniform</b>	The Committee condones the expenditure In future due processes must be followed to award tenders.	A tender was advertised for the purchase of uniforms and suppliers duly awarded contracts. The following measures are in now in place. <ul style="list-style-type: none"> <li>○ Bid Adjudication Committee in place</li> <li>○ All the requirements of the procurement s of procurement in terms of Supply Chain Management Guidelines adhered to.</li> </ul>
<b>R1,638,935.28 paid on expired tender for which extension was not granted</b>	The Committee condones the expenditure with the understanding that in future any official who causes irregular expenditure will be charged with misconduct.	The introduction of and implementation of the Supply Chain Management Policy Guidelines regarding the acquisition and procurement of goods and services in the public sector has been introduced as a mechanism to address the concerns raised by the Committee. The Department has also appointed committees as per

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES**  
**VOTE 10**

**REPORT OF THE ACCOUNTING OFFICER**  
**for the year ended 31 March 2005**

Reference to previous audit report and SCOPA resolutions	Subject	Findings on progress
		<p>the Supply Chain Management Policy Guidelines to enhance and improve the procurement process with regard to quotations and tender contracts. Any official who causes irregular expenditure will be charged with misconduct and this point has been stressed at management meetings with staff and other directives issued from time to time, emphasising the need to adhere to all prescripts.</p>
<p><b>Documentation of business processes and procedures</b></p>	<p>The Department must finalize all policies as a matter of urgency.</p>	<p>All the financial policies were finalized. The following finance policies were approved:</p> <ul style="list-style-type: none"> <li>○ Debt Management Policy</li> <li>○ Travel and Subsistence</li> <li>○ Bookkeeping</li> <li>○ Fleet Management</li> <li>○ Provisioning and Procurement</li> <li>○ Asset Management</li> <li>○ Revenue Management</li> </ul>

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES**  
**VOTE 10**

**REPORT OF THE ACCOUNTING OFFICER**  
**for the year ended 31 March 2005**

<b>Reference to previous audit report and SCOPA resolutions</b>	<b>Subject</b>	<b>Findings on progress</b>
<b>Vehicle fleet management</b>	Vehicle management must be elevated and accorded its rightful status within the functions of the Provincial Administration. All reports generated by the fleet management system must be utilised to enhance efficiency.	An Assistant Director has been appointed at the Provincial Office solely for First Auto Wesbank Reports fleet Transport officers have been appointed in 26 hospitals and they are also responsible for analysing reports.
<b>Asset Management</b>	The Provincial Treasury is to assume a leading role in the co-ordination of improvements.	Two training sessions on asset management were conducted for 32 officials from the Department in the financial year 2004/2005. Four (4) officials from head office also attended the training organised the Provincial Treasury. Two (2) officials attended a LOGIS training on asset management in the past financial year.



**DEPARTMENT OF HEALTH AND SOCIAL SERVICES**  
**VOTE 10**

**REPORT OF THE ACCOUNTING OFFICER**  
**for the year ended 31 March 2005**

**13.2 Annual Reports for Social Services, Population and Development**

<b>Reference to previous audit report and SCOPA resolutions</b>	<b>Subject</b>	<b>Findings on progress</b>
<b>Overpayment/misuse of social grants</b>	The Department is encouraged to liaise with the Auditor General in procuring data from the relevant stakeholders.	The Department has liaised with the Office of the Auditor General and awaits a response.
<b>Delays in the tabling of the 2003/04 Annual Reports</b>	The department must comply to the time frames for submission.	The Department has taken note of the recommendation and in future will comply.
<b>Vehicle fleet management (2001/2002 audit report)</b>	Vehicle management must be elevated and accorded its rightful status within the functions of the Provincial Administration. All reports generated by the fleet management system must be utilised to enhance efficiency.	A tender for a fleet management system has been advertised. All fleet management reports are utilised by the Department.
<b>Asset management</b>	The Provincial Treasury is to assume a leading role in the co-ordination of improvements.	Departmental officials attended training conducted by the Office of the Accountant General.
<b>Staff debtors</b>	The Accounting Officer must provide detailed information regarding staff debt.	Of the R21,000 owed to the department an amount of R18,980,35 has been recovered from the Receiver of Revenue. A balance of R2,019.65 was staff debt which has been fully recovered.

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2005**

**14      Other**

An amount of R5,000,000, was allocated for the Malaria and Cholera Prevention Conditional Grant. The budget and the expenditure on this conditional grant does not form part of the amount stated in the Annual Financial Statements. This is because the amount was not voted as part of the Provincial Budgets and was thus allocated as an agency fee. An amount of R4,902,000 was spent on this grant with a variance of R98,000, and a percentage expenditure of 98%.

**Approval**

The annual financial statements set out on pages... to ... have been approved by the Accounting Officer.

.....  
**MR HUSSAIN ESSOP VERACHIA**  
**ACCOUNTING OFFICER**  
**29 JULY 2005**

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**REPORT OF THE AUDITOR-GENERAL  
for the year ended 31 March 2005**

**REPORT OF THE AUDITOR-GENERAL TO THE MPUMALANGA PROVINCIAL  
LEGISLATURE ON THE FINANCIAL STATEMENTS OF VOTE 10 – DEPARTMENT OF  
HEALTH AND SOCIAL SERVICES FOR THE YEAR ENDED 31 MARCH 2005**

**1. AUDIT ASSIGNMENT**

The financial statements as set out on pages ... to ..., for the year ended 31 March 2005, 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, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

**2. NATURE AND SCOPE**

The audit was conducted in accordance with Statements of South African Auditing Standards. 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.

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES**  
**VOTE 10**

**REPORT OF THE AUDITOR-GENERAL**  
**for the year ended 31 March 2005**

Furthermore, an audit includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations which came to my attention and are applicable to financial matters.

The audit was completed in accordance with Auditor-General Directive No. 1 of 2005.

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

### **3.   **AUDIT OPINION****

In my opinion, the financial statements fairly present, in all material respects, the financial position of the Department of Health and Social Services at 31 March 2005 and the results of its operations and cash flows for the year then ended, in accordance with prescribed accounting practice.

### **4.   **EMPHASIS OF MATTER****

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

#### **4.1   Inventories**

Due to the unavailability of final inventory listings as at 31 March 2005, I was unable to confirm the completeness and accuracy of inventories as disclosed in the report of the accounting officer.

#### **4.2   Asset management**

The safeguarding of the department's physical assets, as contemplated in section 38(1)(d) of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) read with Treasury Regulation 10.1.1, was not adequate, as the regular updating

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES**  
**VOTE 10**

**REPORT OF THE AUDITOR-GENERAL**  
**for the year ended 31 March 2005**

of a fixed asset register and the unique numbering and location of all assets for identification purposes were not ensured.

**4.3 Internal audit**

Internal audit reports and working papers supporting the reports were only submitted for audit purposes during July 2005 after the audit planning had already been finalised. Due to the late submission of internal audit reports and internal audit working papers supporting the audit reports, I did not rely on the work executed by internal audit.

**4.4 Payment for goods and services – overpayment**

A total amount of R8 591 458 was overpaid to various security service providers. The reason for this was that the tariff approved by the Mpumalanga Tender Board was VAT inclusive, whereas the agreements between the Department of Safety and Security and the various security service providers were VAT exclusive. The department paid in terms of the agreements.

**4.5 Performance information**

**4.5.1 Evaluation of tenders**

The department did not make use of the preferential point system in respect of tenders/procurement, as required by the Preferential Procurement Regulations, 2001.

**4.5.2 Human resource demand and supply**

The contents of the human resource plan, which should assess the human resources necessary to perform the department's functions, did not meet the minimum requirement as per part III, D.1(a)(b) of the Public Service Regulations. Furthermore, the human resource plan did not indicate the need and supply of

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES**  
**VOTE 10**

**REPORT OF THE AUDITOR-GENERAL**  
**for the year ended 31 March 2005**

human resources, resulting in the gap between the need and supply not being identified. Strategies and plans to address the gaps could therefore not have been documented.

**4.5.3 Comprehensive care, management and treatment of HIV and Aids patients**

The following areas of concern were noted with regard to HIV and Aids comprehensive care, management and treatment at various clinics:

- Promotional material at some clinics in the rural areas was only available in English.
- Although computer equipment was available for the purpose of monitoring and recording data for PMTCT, VCT and STDs, this was done manually since clinic staff had not been adequately trained in this field.
- No rapid test kits were available at two of the four clinics visited.
- No basis, method or system was used for calculating re-ordering levels of stock, such as condoms and rapid test kits.

**4.6 Transfer payments**

**4.6.1 Possible social grant overpayments**

Computer assisted audit techniques (CAATs) were used as an audit tool to analyse and interrogate data extracted from databases for the period 1 April 2004 to 30 September 2004. The following exception reports on payments to beneficiaries who were possibly not entitled to social grants were extracted:

- Persons deceased according to the Department of Home Affairs receiving a social grant according to SOCPEN: a total of 178 beneficiaries, representing an overpayment to the value of R166 782.

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**REPORT OF THE AUDITOR-GENERAL  
for the year ended 31 March 2005**

- Persons receiving a salary according to PERSAL and a social grant according to SOCPEN: a total of 2 159 beneficiaries, representing a possible overpayment to the value of R844 739.
- Persons receiving a state pension from the Government Employee Pension Fund and a social grant according to SOCPEN: a total of 3 884 beneficiaries, representing a possible overpayment to the value of R2 464 484.
- Persons from various provinces who, according to SOCPEN, receive multiple grants paid into one bank account: a total of eight beneficiaries, representing a possible overpayment of R4 330.

**4.6.2 Transfer payments to municipalities**

Financial assistance to the value of R19 904 000 was rendered to 10 municipalities. However, sufficient measures, such as the submission of financial statements, were not established to ensure that transfer payments to entities were applied for their intended purposes, as required in terms of Treasury Regulation 8.4 read with section 38(1)(j) of the PFMA.

**4.6.3 Transfer payments to non-profit organisations (NPOs) and non-governmental organisations (NGOs)**

Financial assistance was rendered to 62 NPOs to the value of R10 200 000 and to 14 NGOs to the value of R504 000. Written assurance from each organisation that effective, efficient and transparent financial management and internal control systems were in place was not obtained, as required in terms of section 38(1)(j) of the PFMA.

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES**  
**VOTE 10**

**REPORT OF THE AUDITOR-GENERAL**  
**for the year ended 31 March 2005**

**4.7 Obsolete stock**

Obsolete stock to the value of R6 213 077 dating back to 1998 was still kept in the Middelburg pre-pack depot. Although staff from this warehouse tried to keep the obsolete stock separate from the other stock, it was not always possible because of the limited space available. Since this stock did not form part of any stock count during the year, it is possible that theft could have already occurred.

**4.8 Conditional grants**

The following deficiencies were noted with regard to the expenditure of funds received from the national department in terms of the Division of Revenue Act:

- The budgeted expenditure as per the HIV and Aids comprehensive business plan was R1 169 270 less than the R53 840 000 appropriated in the annual appropriation, which could have a negative impact on service delivery.
- The date of approval was not documented in respect of the HIV and Aids, hospital management and quality improvement, and provincial hospital service business plans.
- Of the 10 conditional grants received to the value of R366 656 640, R148 003 000 (40%) was received during the last month of the financial year.
- Three transfers in respect of the HIV and Aids conditional grant to the value of R13 461 000 were delayed due to projections of underexpenditure.
- The 2004-05 requests for the rollover of unspent conditional grants were only submitted to the provincial treasury on 30 May 2005. This was found to be in



**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**REPORT OF THE AUDITOR-GENERAL  
for the year ended 31 March 2005**

contradiction of Treasury Regulation 6.4.2, which requires the request for rollover to be submitted on the last working day of April.

**4.9 Information technology (IT)**

As reported in previous years, a lack of awareness of the importance to departmentally manage the IT issues of the department led to the department not having a business continuity plan or disaster recovery plan.

**4.10 Post statement of financial position event: split of the department**

In terms of resolution 33/2005 made on 2 March 2005, the executive council approved the split of the Department of Health and Social Services into two votes under the same executing authority with effect from 1 April 2005.

**4.11 Special audit**

A special audit was conducted at the Mpumalanga Provincial Administration on government employees who are directors or spouses of directors of private organisations. The outcome of this special audit will be reported on separately.

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**REPORT OF THE AUDITOR-GENERAL  
for the year ended 31 March 2005**

**4.12 Submission of audit report**

The annual financial statements were resubmitted on 29 July 2005. The completion of the audit process and the submission of the audit report to the department were therefore delayed beyond 31 July 2005.

**5. APPRECIATION**

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

**ND Maphiri for Auditor-General**

**1** Nelspruit

**12 September 2005**



**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**ACCOUNTING POLICIES  
for the year ended 31 March 2005**

The Annual 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 Annual 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), the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act and the Division of Revenue Act, Act 5 of 2004. The following issued, but not yet effective Standards of Generally Recognised Accounting Practice have not been fully complied with in the Annual Financial Statements: GRAP 1, 2 and 3.

**1. Basis of preparation**

The Annual 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. Under the accrual basis of accounting transactions and other events are recognised when incurred and not when cash is received or paid.

**2. Revenue**

**Appropriated funds**

Voted funds are the amounts appropriated to a department in accordance with the final budget known as the Adjusted Estimates of National/Provincial Expenditure. Unexpended voted funds are surrendered to the National/Provincial Revenue Fund, unless otherwise stated.

**Departmental revenue**

***Tax revenue***

A tax receipt is defined as compulsory, irrecoverable revenue collected by entities. Tax receipts are recognised as revenue in the statement of financial performance on receipt of the funds.

***Sale of goods and services other than capital assets***

This comprises the proceeds from the sale of goods and/or services produced by the entity. Revenue is recognised in the statement of financial performance on receipt of the funds.

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**ACCOUNTING POLICIES  
for the year ended 31 March 2005**

***Fines, penalties and forfeits***

Fines, penalties and forfeits are compulsory receipts imposed by court or quasi-judicial body. Revenue is recognised in the statement of financial performance on receipt of the funds.

***Interest, dividends and rent on land***

Interest and dividends received are recognised upon receipt of the funds, and no provision is made for interest or dividends receivable from the last receipt date to the end of the reporting period. They are recognised as revenue in the Statement of Financial Performance of the department and then transferred to the National/Provincial Revenue Fund.

Revenue received from the rent of land is recognised in the statement of financial performance on receipt of the funds.

***Sale of capital assets***

The proceeds from the sale of capital assets is recognised as revenue in the statement of financial performance on receipt of the funds.

***Local and foreign aid assistance***

Local and foreign aid assistance is recognised in the statement of financial performance on receipt of funds. Where amounts are expensed before funds are received, a receivable is raised. Where amounts have been inappropriately expensed using Local and Foreign aid assistance, a payable is raised. In the situation where the department is allowed to retain surplus funds, these funds are shown as a reserve.

**3. Expenditure**

***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. 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.

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**ACCOUNTING POLICIES  
for the year ended 31 March 2005**

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.

*Short-term employee benefits*

The cost of short-term employee benefits is expensed in the Statement of Financial Performance in the reporting period when the final authorisation for payment is effected on the system. Short-term employee benefits, that give rise to a present legal or constructive obligation are disclosed as a disclosure note to the Annual Financial Statements and are not recognised in the Statement of Financial Performance.

*Long-term employee benefits and other post employment benefits*

*Termination benefits*

Termination benefits are recognised and expensed only when the final authorisation for payment is effected on the system.

*Medical benefits*

The department provides medical benefits for its employees through defined benefit plans. Employer contributions to the fund are incurred when the final authorisation for payment is effected on the system. No provision is made for medical benefits in the Annual Financial Statements of the department.

*Post employment retirement benefits*

The department provides retirement 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. No provision is made for retirement benefits in the Annual Financial Statements of the department. Any potential liabilities are disclosed in the Annual Financial Statements of the National/Provincial Revenue Fund and not in the Annual Financial Statements of the employer department.

*Other employee benefits*

Obligations arising from leave entitlement, thirteenth cheque and performance bonus that are reflected in the disclosure notes have not been paid for at year-end.

***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. The expense is classified as capital if the goods and services was used on a capital project.

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**ACCOUNTING POLICIES  
for the year ended 31 March 2005**

***Unauthorised expenditure***

Unauthorised expenditure, is defined as:

- The overspending of a vote or a main division within a vote, or
- Expenditure that was not made in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

Such expenditure is treated as a current asset in the Statement of Financial Position until such expenditure is approved by the relevant authority, recovered or written off as irrecoverable.

***Irregular expenditure***

Irregular expenditure, is defined as :

expenditure, other than unauthorised expenditure, incurred in contravention or not in accordance with a requirement of any applicable legislation, including:

- the Public Finance Management Act
- the State Tender Board Act, or any regulations made in terms of this act, or
- any provincial legislation providing for procurement procedures in that provincial government.

It is treated as expenditure in the Statement of Financial Performance. If such expenditure is not condoned and it is possibly recoverable it is disclosed as receivable in the Statement of Financial Position at year-end.

***Fruitless and wasteful expenditure***

Fruitless and wasteful expenditure, is defined as:

expenditure that was made in vain and would have been avoided had reasonable care been exercised, therefore

- it must be recovered from a responsible official (a debtor account should be raised), or
- the vote. (If responsibility cannot be determined.)

Such expenditure is treated as a current asset in the Statement of Financial Position until such expenditure is recovered from the responsible official or written off as irrecoverable.

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**ACCOUNTING POLICIES  
for the year ended 31 March 2005**

**4. Transfers and subsidies**

Transfers and subsidies include all irrecoverable payments made by the entity. Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system.

**5. Expenditure for capital assets**

Capital assets are assets that can be used repeatedly and continuously in production for more than one year. 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.

**6. Receivables**

Receivables are not normally recognised under the modified cash basis of accounting. However, receivables included in the Statement of Financial Position arise from cash payments that are recoverable from another party, when the payments are made.

Receivables for services delivered are not recognised in the Statement of Financial Position as a current asset or as income in the Statement of Financial Performance, as the Annual Financial Statements are prepared on a modified cash basis of accounting, but are disclosed separately as part of the disclosure notes to enhance the usefulness of the Annual Financial Statements.

**8. Cash and cash equivalents**

Cash and cash equivalents consists of cash on hand and balances with banks, short term investments in money market instruments and demand deposits. Cash equivalents are short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**9. Payables**

Payables are not normally recognised under the modified cash basis of accounting. However, payables included in the Statement of Financial Position arise from advances received that are due to the Provincial/National Revenue Fund or another party.

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**ACCOUNTING POLICIES  
For the year ended 31 March 2005**

**10. 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. These commitments are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance as the Annual Financial Statements are prepared on the cash basis of accounting.

Operating lease expenditure is expensed when the payment is made.

Finance lease expenditure is expensed when the payment is made, but results in the acquisition of the asset under the lease agreement. A finance lease is not allowed in terms of the Public Finance Management Act.

**11. Accruals**

This amount represents goods/services that have been received, but no invoice has been received from the supplier at the reporting date, OR an invoice has been received but final authorisation for payment has not been effected on the system. These amounts are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance as the Annual Financial Statements are prepared on a modified cash basis of accounting, but are however disclosed as part of the disclosure notes.

**12. Contingent liability**

This 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

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 not recognised in the Statement of Financial position, but the information is disclosed as part of the disclosure notes.



**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**ACCOUNTING POLICIES  
for the year ended 31 March 2005**

**13. Commitments**

This amount represents goods/services that have been approved and/or contracted, but no delivery has taken place at the reporting date. These amounts are not recognised in the Statement of financial position as a liability or as expenditure in the Statement of Financial Performance as the Annual Financial Statements are prepared on a modified cash basis of accounting, but are however disclosed as part of the disclosure notes.

**14. Recoverable revenue**

Recoverable revenue represents payments made and recognised in the Statement of Financial Performance as an expense in previous years due to non-performance in accordance with an agreement, which have now become recoverable from a debtor. Repayments are transferred to the Revenue Fund as and when the repayment is received.

**15. Comparative figures**

Where necessary, comparative figures have been restated to conform to the changes in the presentation in the current year. The comparative figures shown in these Annual Financial Statements are limited to the figures shown in the previous year's audited Annual Financial Statements and such other comparative figures that the department may reasonably have available for reporting. Reclassification of expenditure has occurred due to the implementation of the Standard Chart of Accounts. It is not practical to present comparative amounts in the Cash Flow Statement as this would involve reclassification of amounts dating back to the 2002/03 year-end.

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES**  
**VOTE 10**  
**APPROPRIATION STATEMENT**  
**for the year ended 31 March 2005**

Appropriation per programme									
		2004/05						2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>1. Administration</b>									
Current payment	245,961		(20,000)	225,961	218,560	7,401	96.7%	200,945	175,569
Transfers and subsidies	7,467			7,467	6,783	682	90.9%	6,980	4,327
Payment for capital assets	12,873			12,873	16,572	(3,699)	128.7%	14,817	14,501
<b>2. District Health Service</b>									
Current payment	1,376,176		37,400	1,413,576	1,359,981	53,595	96.2%	1,321,880	1,302,033
Transfers and subsidies	2,066			2,066	54,271	(52,205)	2,626.9%	23,217	21,934
Payment for capital assets	42,307			42,307	24,809	17,498	58.6%	53,753	30,770
<b>3. Emergency Medical Service</b>									
Current payment	56,795		(1,100)	55,695	50,712	4,983	91.1%	56,366	46,619
Transfers and subsidies	178			178	173	5	97.2%	0	0
Payment for capital assets	33,652		1,100	34,752	17,853	16,899	51.4%	13,665	110
<b>4. Provincial Hospital</b>									
Current payment	310,059		(20,000)	290,059	320,587	(30,528)	110.5%	282,333	267,058
Transfers and subsidies	74,589			74,589	35,712	38,877	47.9%	32,000	34,510
Payment for capital assets	21,800			21,800	22,163	(363)	101.7%	3,084	8,234
<b>6. Health Science Training and Dev.</b>									
Current payment	58,836			58,836	58,597	239	99.6%	46,669	44,723
Transfers and subsidies	83			83	83	0	100.0%	65	0
Payment for capital assets	0			0	238	(238)	(100.0)	688	437
<b>7. Health Care Support Service</b>									
Current payment	18,793			18,793	20,676	(1,883)	110.0%	25,298	15,055
Transfers and subsidies	27			27	42	(15)	155.5%	0	0
Payment for capital assets	4,945			4,945	2,581	2,364	52.2%	2,495	372
<b>8. Health Facility Management</b>									
Current payment	35,724			35,724	3	(35,721)	0%	4,588	79,736
Transfers and subsidies	0			0	0	0	0%	0	0
Payment for capital assets	132,751			132,751	104,139	28,612	78.4%	113,148	1,412
<b>9. Social Assistance</b>									
Current payment	146,888			146,888	168,164	(21,276)	114.5%	180,805	180,256
Transfers and subsidies	3,000,274			3,000,274	2,976,391	23,883	99.2%	2,336,348	2,339,735
Payment for capital assets	899			899	2	897	0.2%	1,290	1,889
<b>10. Social Welfare Service</b>									
Current payment	62,835		1,000	63,835	48,372	15,463	75.8%	40,688	41,170
Transfers and subsidies	39,972			39,972	65,947	(25,975)	165.0%	56,144	45,497
Payment for capital assets	16,150			16,150	224	15,926	1.4%	800	332
<b>11. Development and Support Service</b>									
Current payment	45,025		1,600	46,625	26,799	19,826	57.5%	37,267	32,008
Transfers and subsidies	11,330			11,330	16,087	(4,757)	142.0%	11,432	10,335
Payment for capital assets	100			100	113	(13)	113.0%	365	269

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES**  
**VOTE 10**  
**APPROPRIATION STATEMENT**  
**for the year ended 31 March 2005**

12 Demo Trends and Analysis on Soc. Dev.									
Current payment	3,438			3,438	3,089	349	89.8%	2,799	1,253
Transfers and subsidies					8	(8)			
Payment for capital assets	70			70	25	45	35.7%	50	515
<b>Subtotal</b>	<b>5,762,063</b>			<b>5,762,063</b>	<b>5,619,756</b>	<b>142,307</b>	<b>97.5</b>	<b>4,789,633</b>	<b>4,696,332</b>
<b>Statutory Appropriation</b>									
Current payment	750			750	668	82	89.1%	1,224	1,224
Transfers and subsidies									
<b>TOTAL</b>	<b>5,762,813</b>			<b>5,762,813</b>			<b>97.5%</b>	<b>4,790,857</b>	
Reconciliation with Statement of Financial Performance									
Departmental revenue received				24,148				34,424	
Actual amounts per Statements of Financial Performance (Total revenue)				<b>5,786,961</b>				<b>4,825,281</b>	
Actual amounts per Statements of Financial Performance (Total expenditure)					<b>5,620,424</b>				<b>4,697,556</b>

Appropriation per economic classification									
	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payment</b>									
Compensation of employees	1,306,395	0		1,306,395	1,337,929	(31,534)	102.4%	1,215,041	1,198,789
Goods and services	1,027,424	0	(1,100)	1,026,324	937,314	89,100	91.3%	902,885	914,338
Financial transactions in assets and liabilities									
<b>Transfers and subsidies to:</b>									
Provinces and municipalities	26,777	0	0	26,777	25,759	1,018	96.2%	62,247	21,903
Departmental agencies and accounts	2,998,081	0	0	2,998,081	2,979,687	18,394	99.4%	2,336,348	2,447,104
Foreign governments and international organisations	70	0	0	70	0	70			
Public corporations and private enterprises	11,092	0	0	11,092	11,013	79	99.3%	0	0
Non-profit institutions	132,678	0	0	132,678	135,936	3,258	102.5%	67,576	55,832
Households	28	0	0	28	3,101	(3,073)	11075%	0	0
<b>Payment for capital assets</b>									
Buildings and other fixed structures	39,541	0	0	39,541	95,655	(56,114)	241.9%	0	0
Machinery and equipment	219,790	0	1,100	220,890	93,166	127,724	44.0%	205,536	58,366
Software and other intangible assets	187	0	0	187	196	(9)	104.8%	0	0
<b>Total Assets</b>	<b>5,762,063</b>	<b>0</b>	<b>0</b>	<b>5,762,063</b>	<b>5,619,756</b>	<b>142,307</b>	<b>97.5%</b>	<b>4,789,633</b>	<b>4,696,332</b>

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES**  
**VOTE 10**  
**APPROPRIATION STATEMENT**  
**for the year ended 31 March 2005**

Statutory Appropriation									
Details of direct changes against the Provincial Revenue Fund	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Member of the executive committee	750	0	0	750	668	82	89.1%	1,224	1,224
<b>Total</b>	<b>750</b>	<b>0</b>	<b>0</b>	<b>750</b>	<b>668</b>	<b>82</b>	<b>89.1%</b>	<b>1,224</b>	<b>1,224</b>

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**DETAIL PER PROGRAMME 1  
for the year ended 31 March 2005**

Programme per sub programme	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>1.1 Statutory</b>									
Current payment	0								
Transfers and subsidies	0								
Payment for capital assets	0								
<b>1.2 Management Service</b>									
Current payment	25,223		0	25,223	13,522	11,701	53.6%	38,596	30,001
Transfers and subsidies	18		0	18	22	(4)	122.2%	0	0
Payment for capital assets	777		0	777	1,903	(1,126)	244.9%	788	1,316
<b>1.3 Central Management</b>									
Current payment	210,118		(20,000)	190,118	192,437	(2,319)	101.2%	149,934	134,078
Transfers and subsidies	7,426		0	7,426	4,031	3,395	54.3%	0	0
Payment for capital assets	10,988		0	10,988	12,553	(1,565)	114.2%	9,567	9,178
<b>1.4 District/Regional Management</b>									
Current payment	10,620		0	10,620	12,601	(1,981)	118.7%	10,522	10,008
Transfers and subsidies	23		0	23	2,730	(2,730)	11869.6%	0	0
Payment for capital assets	1108		0	1,108	2,116	(1,008)	191.0%	18	22
<b>1.5 Decentralised Management</b>									
Current payment	0		0	0	0	0	0	352	336
Transfers and subsidies	0		0	0	0	0	0	0	0
Payment for capital assets	0		0	0	0	0	0	2,875	2,606
<b>1.5 Departmental Motor Transport</b>									
Current payment	0		0	0	0	0	0	1,541	1,146
Transfers and subsidies	0		0	0	0	0	0	0	0
Payment for capital assets	0		0	0	0	0	0	1,569	1,379
<b>TOTAL</b>	<b>266,301</b>		<b>(20,000)</b>	<b>246,301</b>	<b>241,915</b>	<b>4,386</b>	<b>98.2%</b>	<b>215,762</b>	<b>190,070</b>

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**DETAIL PER PROGRAMME 1  
for the year ended 31 March 2005**

Economic Classification	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payment</b>									
Compensation of employees	68,446		0	68,446	64,016	4,430	93.5%	62,703	51,250
Goods and services	168,219		(20,000)	148,219	154,548	(6,329)	104.3%	131,262	119,991
Financial transactions in assets and liabilities	0		0	0	0	0	0.0%	0	0
<b>Transfers and subsidies to:</b>									
Provinces and municipalities									
Departmental agencies and accounts	16,703		0	16,703	2,912	13,791	17.4%	6,980	0
Foreign governments and international organisations	0		0	0	0	0	0.0%	0	4,327
	70		0	70	0	70	0.0%	0	0
Public corporations and private enterprises									
Non-profit institutions			0	0	6	(6)	(100.0%)	0	0
Households			0	0	3,762	(3,762)	(100.0%)	0	0
<b>Payment for capital assets</b>									
Buildings and other fixed structures			0	0	105	(105)	(100.0%)	0	0
Machinery and equipment			0	0	0	0	0.0%	0	0
Software and other intangible assets	2,997		0	2,997	101	2,896	3.4%	0	0
Land and subsoil assets	9,866		0	9,866	16,397	(6,531)	166.2%	14,817	14,502
	0		0	0	68	(68)	(100.0%)	0	0
<b>Total</b>	<b>266,301</b>		<b>(20,000)</b>	<b>246,301</b>	<b>241,915</b>	<b>4,386</b>	<b>98.2%</b>	<b>215,762</b>	<b>190,070</b>

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**DETAIL PER PROGRAMME 2  
for the year ended 31 March 2005**

Programme per sub programme	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>2.1 Malaria Control</b>									
Current payment	16,409		0	16,409	13,160	3,249	80.2%	14,832	14,090
Transfers and subsidies	34		0	34	192	(158)	564.7%	0	0
Payment for capital assets	80		0	80	24	56	30%	481	91
<b>2.2 District Management</b>									
Current payment	23,444		3000	26,444	33,692	(7,248)	127.48%	35,698	39,686
Transfers and subsidies	648		0	648	6,022	(5,374)	929.3%	10,700	9,693
Payment for capital assets	10,279		0	10,279	2,984	7,295	29.0%	3,939	1,963
<b>2.3 District Hospital</b>									
Current payment	937,538		0	937,538	952,326	(14,788)	101.6%	847,904	905,709
Transfers and subsidies	636		0	636	10,884	(10,248)	1,711.3%	7,649	7,570
Payment for capital assets	20,074		0	20,074	13,333	6,741	66.4%	33,683	23,570
<b>2.4 Clinics</b>									
Current payment	153,923		34,400	188,323	162,928	(25,395)	86.5%	189,781	152,968
Transfers and subsidies	383			383	6,672	(6,289)	1,742.0%	4,471	4,471
Payment for capital assets	6,211		0	6,211	954	5,257	15.4%	9,718	2,884
<b>2.5 Community Health Centres</b>									
Current payment	130,641		0	130,641	135,113	(4,472)	103.4%	112,229	102,010
Transfers and subsidies	346		0	346	610	(264)	176.3%	397	200
Payment for capital assets	3,522		0	3,522	857	2,665	24.3%	5,362	2,072
<b>2.6 Comprehensive HIV and AIDS</b>									
Current payment	65,642		0	65,642	26,331	39,311	40.1%	34,550	22,671
Transfers and subsidies	19		0	19	29,884	(29,865)	157,284.0%	0	0
Payment for capital assets			0	0	206	(206)	(100)	0	60
<b>2.7 Integrated Nutrition Programme</b>									
Current payment	15,053		0	15,053	12,026	3,027	79.9%	67,183	60,843
Transfers and subsidies	0		0	0	0	0	0	0	0
Payment for capital assets	0		0	0	1,469	(1,469)	(100.0)	0	0
<b>2.8 Hosp Man &amp; Quality Improvement</b>									
Current payment	26,849		0	26,849	17,766	9,083	66.2%	19,703	4,056
Transfers and subsidies	0		0	0	0	0	0	0	0
Payment for capital assets	2,141		0	2,141	4,982	(2,841)	232.7%	570	130
<b>2.9 Flood relief</b>									
Current payment	6,677		0	6,677	6,527	150	97.8	0	0
Transfers and subsidies	0		0	0	7	(7)	0	0	0
Payment for capital assets	0		0	0	0	0	0	0	0
<b>2.10 Health Prof Training and Dev</b>									
Current payment					112	(121)	100%		
Transfers and subsidies									
Payment for capital assets									
<b>TOTAL</b>	<b>1,420,549</b>		<b>37,400</b>	<b>1,457,949</b>	<b>1,439,061</b>	<b>18,888</b>	<b>98.7%</b>	<b>1,398,850</b>	<b>1,354,737</b>

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**DETAIL PER PROGRAMME 2  
for the year ended 31 March 2005**

	2004/05							2003/04	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payment</b>									
Compensation of employees	908,112			908,112	956,714	(48,602)	105.4%	865,674	867,692
Goods and services	468,064		37,400	505,464	403,364	102,100	79.8%	456,206	434,341
Financial transactions in assets and liabilities	0		0	0	0	0	0.0%	0	0
<b>Transfers and subsidies to:</b>									
Provinces and municipalities	1,843		0	1,843	21,841	(19,998)	1,185.1%	23,217	21,903
Departmental agencies and accounts	173		0	173	117	56	67.6%	0	31
Foreign governments and international organisations	0		0	0	0	0	0.0%	0	0
Public corporations and private enterprises			0						
Non-profit institutions	0		0						
Households	50		0	50	29,920	(29,870)	59,840.0%	0	0
<b>Gifts and donations</b>	0		0	0	2,392	(2,392)	(100.0%)	0	0
<b>Payment for capital assets</b>									
Buildings and other fixed structures									
Machinery and equipment	137		0	137	68	69	49.6%	0	0
Software and other intangible assets	41,982		0	41,983	24,607	17,376	58.6%	53,753	30,770
	187		0	187	38	149	20.3%	0	0
<b>Total</b>	<b>1,420,549</b>		<b>37,400</b>	<b>1,457,949</b>	<b>1,439,061</b>	<b>18,888</b>	<b>98.7%</b>	<b>1,398,850</b>	<b>1,354,737</b>



**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**DETAIL PER PROGRAMME 3  
for the year ended 31 March 2005**

	2004/05							2003/04	
Programme per sub programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>3.1 Emergency Medical Service</b>									
Current payment	56,795		(1,100)	55,695	50,712	4,983	91.1%	56,366	46,619
Transfers and subsidies	178		0	178	173	5	97.2%	0	0
Payment for capital assets	33,652		1,100	34,752	17,853	16,899	51.4%	13,665	110
<b>TOTAL</b>	<b>90,625</b>		<b>0</b>	<b>90,625</b>	<b>68,738</b>	<b>21,887</b>	<b>75.8%</b>	<b>70,031</b>	<b>46,729</b>

	2004/05							2003/04	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payment</b>									
Compensation of employees	45,641			45,641	45,991	(350)	100.8%	50,272	44,290
Goods and services	11,154		(1,100)	10,054	4,721	5,333	47.0%	6,094	2,329
Financial transactions in assets and liabilities	0			0	0	0	0.0%	0	0
<b>Transfers and subsidies to:</b>									
Provinces and municipalities	143			143	146	(3)	102.1%	0	0
Departmental agencies and accounts	7			7	10	(3)	142.9%	0	0
Foreign governments and international organisations	0								
Public corporations and private enterprises	0								
Non-profit institutions									
Households	28			28	17	11	60.7%	0	0
<b>Payment for capital assets</b>									
Buildings and other fixed structures	0			0	0	0	0.0%	0	0
Machinery and equipment	0		0	0	0	0	0.0%	0	0
	33,652		1,100	34,752	17,853	16,899	51.4%	13,665	110
<b>Total</b>	<b>90,625</b>		<b>0</b>	<b>90,625</b>	<b>68,738</b>	<b>21,887</b>	<b>75.8%</b>	<b>70,031</b>	<b>46,729</b>

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**DETAIL PER PROGRAMME 4  
for the year ended 31 March 2005**

Programme per sub programme	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>4.1 National Tertiary Services</b>									
Current payment	43,830			43,830	46,526	(2,696)	106.2%	40,192	27,646
Transfers and subsidies	0			0	0	0	0.0%	0	0
Payment for capital assets	4,697			4,697	0	4,697	2.1%	1,604	7,029
<b>4.2 General Hospital</b>									
Current payment	207,382		(20,000)	187,382	225,234	(37,852)	120.2%	185,337	185,766
Transfers and subsidies	50,080			50,080	24,680	25,400	49.3%	32,000	34,510
Payment for capital assets	17,016			17,016	21,937	(4,921)	128.9%	1,300	1,126
<b>4.3 Health Professional Training and Development</b>									
Current payment	42,083			42,083	42,083	(0)	100%	46,575	46,300
Transfers and subsidies	0			0	0	0	0	0	0
Payment for capital assets	0			0	0	0	0	0	0
<b>4.4 TB Hospital</b>									
Current payment	7,330			7,330	6,713	617	91.6%	10,229	7,346
Transfers and subsidies	23			23	25	(2)	108.7%		
Payment for capital assets	87			87	129	(42)	148.3%	180	79
<b>4.5 Mental Hospital</b>									
Current payment	9,434			9,434	0	9,434	100%	0	0
Transfers and subsidies	0			0	11,007	(11,007)	(100)%	0	0
Payment for capital assets	0			0	0	0	0.0%	0	0
<b>4.6 Specialised Hospital</b>									
Current payment	0			0	31	(31)	(100.0%)	0	0
Transfers and subsidies	0			0	0	0	0	0	0
Payment for capital assets	0			0	97	(97)	0	0	0
<b>4.6 Dental Training Hospital</b>									
Current payment	0							0	0
Transfers and subsidies	24,486			24,486	0	24,846	0.0%	0	0
Payment for capital assets	0			0	0	0	0	0	0
<b>TOTAL</b>	<b>406,448</b>		<b>(20,000)</b>	<b>386,448</b>	<b>378,462</b>	<b>7,986</b>	<b>97.9%</b>	<b>317,417</b>	<b>309,802</b>

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**DETAIL PER PROGRAMME 4  
for the year ended 31 March 2005**

Economic Classification	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payment</b>									
Compensation of employees	168,766		0	168,766	174,240	(5,474)	103.2%	149,356	147,826
Goods and services	137,293		(20,000)	117,293	146,347	(29,054)	124.8%	132,977	119,232
Financial transactions in assets and liabilities	0								
<b>Transfers and subsidies to:</b>									
Provinces and municipalities	538		0	538	562	(24)	104.5%	32,000	0
Departmental agencies and accounts	145		0	145	95	50	65.5%	0	34,510
Foreign governments and international organisations	0		0						
Public corporations and private enterprises	11,092		0	11,092	11,007	85	99.2%	0	0
Non-profit institutions									
Households	62,814		0	62,814	23,591	39,223	37.6%	0	0
<b>Gifts and donations</b>	0				457	(457)	(100.0%)		
<b>Payment for capital assets</b>									
Buildings and other fixed structures									
Machinery and equipment	261			261	138	123	52.9%	0	0
Software and other intangible assets	25,539		0	25,539	21,935	3,604	85.9%	3,084	8,234
	0			0	90	(90)	(100.0)	0	0
<b>Total</b>	<b>406,448</b>		<b>(20,000)</b>	<b>386,448</b>	<b>378,462</b>	<b>7,986</b>	<b>98.0%</b>	<b>317,417</b>	<b>309,802</b>

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**DETAIL PER PROGRAMME 6  
for the year ended 31 March 2005**

Programme per sub programme	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>6.1 Nursing Training College</b>									
Current payment	30,536			30,536	29,790	746	97.6%	1,398	390
Transfers and subsidies	83			83	83	0	100%	15	0
Payment for capital assets	0			0	238	(238)	0.0%	0	0
<b>6.2 EMS Training College</b>									
Current payment	629			629	581	48	92.4%	18,811	15,809
Transfers and subsidies	0			0	0	0	0.0%	0	0
Payment for capital assets	0			0	0	0	0.0%	0	176
<b>6.3 Bursary</b>									
Current payment	22,420			22,420	22,095	325	98.6%	26,460	28,524
Transfers and subsidies	0			0	0	0	0.0%	50	0
Payment for capital assets	0			0	0	0	0.0%	688	261
<b>6.4 Primary Health Care Training</b>									
Current payment	1,012			1,012	2,004	(992)	198%	0	0
Transfers and subsidies	0			0	0	0	0.0%	0	0
Payment for capital assets	0			0	0	0	0.0%	0	0
<b>6.5 Training Other</b>									
Current payment	532			532	2,540	(2,008)	477.4%	0	0
Transfers and subsidies	0			0	0	0	0.0%	0	0
Payment for capital assets	0			0	0	0	0.0%	0	0
<b>6.6 ABET</b>									
Current payment	3,707			3,707	1,587	2,120	42.8%	0	0
Transfers and subsidies	0			0	0	0	0.0%	0	0
Payment for capital assets	0			0	0	0	0.0%	0	0
<b>TOTAL</b>	<b>58,919</b>			<b>58,919</b>	<b>58,918</b>	<b>1</b>	<b>100%</b>	<b>47,422</b>	<b>45,160</b>

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**DETAIL PER PROGRAMME 6  
for the year ended 31 March 2005**

	2004/05							2003/04	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payment</b>									
Compensation of employees	28,484			28,484	28,535	(51)	100.2%	24,206	26,532
Goods and services	30,347			30,347	30,060	287	99.1%	22,463	18,191
Financial transactions in assets and liabilities	0			0	0	0	0.0%	0	0
<b>Transfers and subsidies to:</b>									
Provinces and municipalities									
Departmental agencies and accounts	83 0			83	83	0	100%	50	0
Foreign governments and international organisations	0			0	0	0	0	0	0
Public corporations and private enterprises	0			0	0	0	0	0	0
Non-profit institutions	0			0	0	0	0	0	0
Households	0			0	0	0	0	0	0
<b>Payment for capital assets</b>									
Buildings and other fixed structures					2	(2)	(100%)	0	0
Machinery and equipment	0			0	0				
Software and other intangible assets	5 0			5 0	238	(238) 0	4760% 0.0%	703 0	437 0
<b>Total</b>	<b>58,919</b>			<b>58,919</b>	<b>58,918</b>	<b>1</b>	<b>100%</b>	<b>47,422</b>	<b>45,160</b>

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**DETAIL PER PROGRAMME 7  
for the year ended 31 March 2005**

	2004/05							2003/04	
Programme per sub programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%		R'000
<b>7.1 Laundry Service</b>									
Current payment	7,932			7,932	11,734	(3,802)	147.9%	13,460	9,655
Transfers and subsidies	21			21	36	(15)	171.4%	0	0
Payment for capital assets	4,155			4,155	1,470	2,685	35.4%	2,282	127
<b>7.2 Orthotic and Prosthetics</b>									
Current payment	7,420			7,420	5,660	1,760	76.3%	8,000	2,955
Transfers and subsidies	0			0	0	0	0	0	0
Payment for capital assets	0			0	295	(295)	(100.0)	0	238
<b>7.3 Pharmaceuticals</b>									
Current payment	2,441			2,441	2,983	(542)	122.2%	3,838	2,445
Transfers and subsidies	6			6	6	0	100.0%	0	0
Payment for capital assets	790			790	115	675	14.6%	213	7
<b>7.4 Coroner Special Service</b>									
Current payment	1,000			1,000	299	701	29.9%	0	0
Transfers and subsidies	0			0	0	0	0.0%	0	0
Payment for capital assets	0			0	701	(701)	(100.0%)	0	0
<b>TOTAL</b>	<b>23,765</b>			<b>23,765</b>	<b>23,299</b>	<b>466</b>	<b>98.7%</b>	<b>27,793</b>	<b>15,427</b>

	2004/05							2003/04	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payment</b>									
Compensation of employees	8,757			8,757	9,082	(325)	103.7%	7,958	9,005
Goods and services	10,036			10,036	11,194	(1,158)	111.5%	17,340	6,050
Financial transactions in assets and liabilities	0			0	0	0	0.0%	0	0
<b>Transfers and subsidies to:</b>									
Provinces and municipalities	27			27	27	0	100.0%	0	0
Departmental agencies and accounts	0			0	0	0	0	0	0
Foreign governments and international organisations	0			0	0	0	0	0	0
Public corporations and private enterprises	0			0	0	0	0	0	0
Non-profit institutions	0			0	0	0	0	0	0
Households	0			0	0	0	0	0	0
<b>Payment for capital assets</b>									
Buildings and other fixed structures	0			0	0	0	0	0	0
Machinery and equipment	0			0	0	0	0	0	0
Software and other intangible assets	4,945			4,945	228	(228)	55.7%	2,495	372
	0			0	2,753	2,192	0.0%	0	0
<b>Total</b>	<b>23,765</b>			<b>23,765</b>	<b>23,299</b>	<b>466</b>	<b>98.7%</b>	<b>27,793</b>	<b>15,427</b>

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**DETAIL PER PROGRAMME 8  
for the year ended 31 March 2005**

	2004/05							2003/04	
Programme per subprogramme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>8.1 New facility Replacement</b>									
Current payment	29,136			29,136			29,136	4,588	79,736
Transfers and subsidies	0				0	0	0.0%	0	0
Payment for capital assets	10,363			10,363	26,256	(15,893)	253.4%	113,148	1,412
<b>8.2 Provincial Hospital Service</b>									
Current payment	0			0	0	0	0	0	0
Transfers and subsidies	0			0	0	0	0	0	0
Payment for capital assets	40,553			40,553	25,522	15,031	62.9%	0	0
<b>8.3 Hospital Rehabilitation</b>									
Current payment	6,588			6,588	3	6,585	100%	0	0
Transfers and subsidies	0			0	0	0	0.0%	0	0
Payment for capital assets	81,835			81,835	52,361	29,474	64.0%	0	0
<b>TOTAL</b>	<b>168,475</b>	<b>-</b>	<b>-</b>	<b>168,475</b>	<b>104,142</b>	<b>64,333</b>	<b>61.8%</b>	<b>117,736</b>	<b>81,148</b>

	2004/05							2003/04	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payment</b>									
Compensation of employees	0			0	0	0	0	0	0
Goods and services	35,724			35,724	3	35,721	261.1%	4,588	79,736
Financial transactions in assets and liabilities	0			0	0	0	0	0	0
<b>Transfers and subsidies to:</b>									
Provinces and municipalities	0			0	0	0	0	0	0
Departmental agencies and accounts	0			0	0	0	0	0	0
Foreign governments and international organisations	0			0	0	0	0	0	0
Public corporations and private enterprises	0			0	0	0	0	0	0
Non-profit institutions									
Households	0			0	0	0	0.0%	0	0
<b>Payment for capital assets</b>									
Buildings and other fixed structures	0			0	0	0	0.0%	0	0
	36,146								
Machinery and equipment	96,605			36,146	95,120	(58,974)	263.2%	0	0
				96,605	9,019	87,586	9.3%	113,148	1,412
<b>TOTAL</b>	<b>168,475</b>			<b>168,475</b>	<b>104,142</b>	<b>64,333</b>	<b>61.8%</b>	<b>117,736</b>	<b>81,148</b>

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**DETAIL PER PROGRAMME 9  
for the year ended 31 March 2005**

Programme per subprogramme	2004/05							2003/04	
	Adjusted	Shifting of	Virement	Final	Actual		Payment	Final	Actual
	Appropriation	Funds		Appropriation	Payment	Variance	as % of final appropriation	Appropriation	Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>9.1 Administration Support</b>									
Current payment	123,104			123,104	163,517	(40,413)	132.8%	24,871	98,967
Transfers and subsidies	14,086			14,086	149	13,937	1.1%	19,917	0
Payment for capital assets	699			699	0	699	0.0%	2,656	1,550
<b>9.2 Old Age</b>									
Current payment	0			0	0	0	0.0%	0	0
Transfers and subsidies	1,477,225			1,477,225	1,328,073	149,152	89.9%	1,226,534	1,217,065
Payment for capital assets	0			0	0	0	0.0%	0	0
<b>9.3 War veteran</b>									
Current payment	0			0	0	0	0.0%	0	0
Transfers and subsidies	1,124			1,124	1,079	45	96.0%	1,227	1,153
Payment for capital assets	0			0	0	0	0.0%	0	0
<b>9.4 Disability grand</b>									
Current payment	0			0	47	(47)	0.0%	0	0
Transfers and subsidies	563,616			563,616	638,240	(74,624)	113.2%	480,023	510,807
Payment for capital assets	0			0	0	0	0.0%	0	0
<b>9.5 Grant-in-aids</b>									
Current payment	0			0	0	0	0.0%	0	0
Transfers and subsidies	0			0	4	(4)	(100%)	686	0
Payment for capital assets	0			0	0	0	0.0%	0	0
<b>9.6 Foster care</b>									
Current payment	0			0	0	0	0.0%	0	0
Transfers and subsidies	48,140			48,140	66,878	(18,738)	139%	31,199	36,069
Payment for capital assets	0			0	0	0	0.0%	0	0
<b>9.7 Care Dependency</b>									
Current payment	0			0	0	0	0.0%	0	0
Transfers and subsidies	32,509			32,509	39,748	(7,239)	122%	32,106	31,603
Payment for capital assets	0			0	0	0	0.0%	0	0
<b>9.8 Child Support</b>									
Current payment	0			0	0	0	0.0%	0	0
Transfers and subsidies	627,545			627,545	642,738	(15,193)	102%	536,819	530,250
Payment for capital assets	0			0	0	0	0.0%	0	0
<b>9.9 Extension of Child Support Grant</b>									
Current payment	23,784			23,784	4,600	19,184	19.3%	81,202	81,289
Transfers and subsidies	236,029			236,029	259,482	(23,453)	109.9%	7,837	12,788
Payment for capital assets	200			200	2	198	1%	0	339
<b>TOTAL</b>	<b>3,148,061</b>			<b>3,148,061</b>	<b>3,144,557</b>	<b>3,504</b>	<b>99.9%</b>	<b>2,445,077</b>	<b>2,521,880</b>



**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**DETAIL PER PROGRAMME 9  
for the year ended 31 March 2005**

	2004/05							2003/04	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payment</b>									
Compensation of employees	38,686			38,686	17,879	20,807	46.2%	18,152	18,827
Goods and services	108,202			108,202	150,285	(42,083)	138.9%	87,921	92,928
Financial transactions in assets and liabilities	0			0	0	0	0.0%	0	0
<b>Transfers and subsidies to:</b>									
Provinces and municipalities	0			0	0	0	0.0%	0	0
Departmental agencies and accounts	4,305			4,305	61	4,244	1.4%	0	0
Foreign governments and international organisations	2,995,969			2,995,969	2,976,239	19,730	99.3%	2,336,348	2,408,236
Public corporations and private enterprises	0			0	0	0	0.0%	0	0
Non-profit institutions	0			0	0	0	0.0%	0	0
Households	0			0	0	0	0.0%	0	0
<b>Payment for capital assets</b>									
Buildings and other fixed structures					91	(91)	(100.0%)	0	0
Machinery and equipment	0			0	0	0	0.0%	0	0
	899			899	2	897	0.2%	2,656	1,889
<b>Total</b>	<b>3,148,061</b>			<b>3,148,061</b>	<b>3,144,557</b>	<b>3,504</b>	<b>99.9%</b>	<b>2,445,077</b>	<b>2,521,880</b>

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**DETAIL PER PROGRAMME 10  
for the year ended 31 March 2005**

Programme per subprogramme	2004/05							2003/04	
	Adjusted	Shifting of	Virement	Final	Actual		Payment	Final	Actual
	Appropriation	Funds		Appropriation	Payment	Variance	as % of final appropriation	Appropriation	Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>10.1 Administration and Support</b>									
Current payment	39,758		1,000	40,758	39,944	814	98.0%	34,397	33,919
Transfers and subsidies	1,774			1,774	3,319	(1,545)	187.1%	0	0
Payment for capital assets	1,767			1,767	204	1,563	11.5%	672	318
<b>10.2 Treatment and Prevention of Substance abuse</b>									
Current payment	3,938			3,938	2,640	1,298	67.0%	2,583	2,850
Transfers and subsidies	685			685	1,932	(1,247)	282.0%	1,914	905
Payment for capital assets	12			12	20	(8)	166.7%	25	7
<b>10.3 Care of the Older persons</b>									
Current payment	351			351	146	205	41.6%	0	0
Transfers and subsidies	4,080			4,080	17,530	(13,450)	429.7%	17,387	12,410
Payment for capital assets	14,111			14,111	0	14,111	0.0%	0	0
<b>10.4 Crime Prevention, Rehabilitation and Victim</b>									
Current payment	4,817			4,817	5,327	(510)	110.6%	3,708	4,401
Transfers and subsidies	2,039			2,039	971	1,068	47.6%	510	1,468
Payment for capital assets	240			240	0	240	0.0%	103	7
<b>10.5 Service to the disabled</b>									
Current payment	13,410			13,410	26	13,384	0.2%	0	0
Transfers and subsidies	0			0	12,616	(12,616)	0.0%	7,690	8,791
Payment for capital assets	0			0	0	0	0.0%	0	0
<b>10.6 Child and Youth Care Protection</b>									
Current payment	561			561	289	272	51.5	0	0
Transfers and subsidies	31,394			31,394	29,579	1,815	94.2%	28,643	21,923
Payment for capital assets	20			20	0	20	0.0%	00	
<b>TOTAL</b>	<b>118,957</b>		<b>1,000</b>	<b>119,957</b>	<b>114,543</b>	<b>5,414</b>	<b>95.5%</b>	<b>97,632</b>	<b>86,999</b>

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**DETAIL PER PROGRAMME 10  
for the year ended 31 March 2005**

	2004/05							2003/04	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payment</b>									
Compensation of employees	33,932		0	33,932	34,307	(375)	101.1%	30,910	28,389
Goods and services	15,493		1,000	16,493	14,065	2,428	85.3%	9,778	12,781
<b>Transfers and subsidies to:</b>									
Provinces and municipalities	3,135		0						
Departmental agencies and accounts	1,787		0	3,135	106	3,029	3.4%	0	0
Foreign governments and international organisations	0		0	1,787	3,226	(1,439)	180.5%	0	0
Public corporations and private enterprises	0		0						
Non-profit institutions	58,484		0	58,484	62,593	(4,109)	107.0%	56,144	45,497
Households					22	(22)	(100.0)	0	0
<b>Payment for capital assets</b>	0		0	0	0	0	0.0%	0	0
Buildings and other fixed structures									
Machinery and equipment	0		0	0	0	0	0.0%	0	0
	6,126		0	6,126	224	5,902	3.7%	800	332
<b>Total</b>	<b>118,957</b>		<b>1,000</b>	<b>119,957</b>	<b>114,543</b>	<b>5,414</b>	<b>95.5%</b>	<b>97,632</b>	<b>86,999</b>

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**DETAIL PER PROGRAMME 11  
for the year ended 31 March 2005**

	2004/05							2003/04	
Programme per subprogramme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>11.1 Administration Support</b>									
Current payment	7,043		(400)	6,643	5,268	1,475	77.8%	5,909	5,170
Transfers and subsidies	10			10	933	(923)	9,330.0%	0	0
Payment for capital assets	100			100	59	41	59.0%	200	215
<b>11.2 Poverty Alleviation</b>									
Current payment	1,264		2000	3,264	1,384	(1,880)	42.4%	20,637	17,799
Transfers and subsidies	3,887			3,887	4,237	(350)	109.0%	11,432	10,335
Payment for capital assets	0			0	0	0	0.0%	65	54
<b>11.3 HIV and AIDS (Community based care)</b>									
Current payment	6,957			6,957	1,783	5,174	25.6%	10,721	9,039
Transfers and subsidies	5,281			5,281	8,762	(3,481)	165.9%	0	0
Payment for capital assets	0			0	54	(54)	(100.0%)	100	0
<b>11.4 Food Security</b>									
Current payment	29,761			29,761	18,464	11,297	62.0%	0	0
Transfers and subsidies	2,152			2,152	2,155	(3)	100.1%	0	0
Payment for capital assets	0			0	0	0	0.0%	0	0
<b>TOTAL</b>	<b>56,455</b>		<b>1,600</b>	<b>58,055</b>	<b>42,999</b>	<b>15,056</b>	<b>74.1%</b>	<b>49,064</b>	<b>42,612</b>

	2004/05							2003/04	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payment</b>									
Compensation of employees	3,658			3,658	5,415	(1,757)	148.0%	4,439	3,957
Goods and services	41,367		(1,600)	42,967	21,384	21,583	49.8%	32,828	28,051
<b>Transfers and subsidies to:</b>									
Provinces and municipalities	0		0	0	17	(17)	(100.0%)	0	0
Non-profit institutions	11,330		0	11,330	16,070	(4,740)	141.8%	11,432	10,335
<b>Payment for capital assets</b>									
Buildings and other fixed structures	0		0	0	0	0	0.0%	0	0
Machinery and equipment	100		0	100	113	(13)	113%	365	269
<b>Total</b>	<b>56,455</b>		<b>1,600</b>	<b>58,055</b>	<b>42,999</b>	<b>15,056</b>	<b>74.1%</b>	<b>49,064</b>	<b>42,612</b>

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**DETAIL PER PROGRAMME 12  
for the year ended 31 March 2005**

	2004/05							2003/04	
Programme per subprogramme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>12.1 Administration Support</b>									
Current payment	2,527			2,527	2,085	442	82.5%	2,799	1,253
Transfers and subsidies	0			0	0	(8)	(100.0%)	0	0
Payment for capital assets	70			70	25	45	35.1%	50	39
<b>12.2 Population Research and Demographics</b>									
Current payment	0			0	0	0	0	0	0
Transfers and subsidies	853			853	759	94	89%	0	0
Payment for capital assets	0			0	0	0	0	0	476
<b>12.3 Capacity Building</b>									
Current payment	58			58	245	(187)	422.4%	0	0
Transfers and subsidies	0			0	0	0	0.0%	0	0
Payment for capital assets	0			0	0	0	0	0	0
<b>TOTAL</b>	<b>3,508</b>			<b>3,508</b>	<b>3,122</b>	<b>386</b>	<b>89.0%</b>	<b>2,849</b>	<b>1,768</b>

	2004/05							2003/04	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payment</b>									
Compensation of employees	1,913			1,913	1,750	163	91.5%	1,371	1,021
Goods and services	1,525			1,525	1,343	182	88.1%	1,428	708
<b>Transfers and subsidies to:</b>									
Provinces and municipalities	0			0	4	(4)	(100.0%)	0	0
<b>Payment for capital assets</b>									
Buildings and other fixed structures	0			0	0	0	0.0%	0	0
Machinery and equipment	70			70	25	45	35.7%	50	39
<b>Total</b>	<b>3,508</b>			<b>3,508</b>	<b>3,122</b>	<b>386</b>	<b>89.0%</b>	<b>2,849</b>	<b>1,768</b>

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**NOTES TO THE APPROPRIATION STATEMENT  
for the year ended 31 March 2005**

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

Detail of these transactions can be viewed in note 8 (Transfers and subsidies) and Annexure 1(A to G) 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. Explanations of material variances from Amounts Voted (after Virement):**

<b>3.1 Per Programme</b>	<b>Voted Funds after virement</b>	<b>Actual Expenditure</b>	<b>R'000</b>	<b>%</b>
Programme 1	247,051	242,583	4,468	1,8%
Programme 2	1,457,949	1,439,061	18,888	1,3%
Programme 3	90,625	68,738	21,887	24,2%
Programme 4	386,448	378,462	7,986	2,1%
Programme 6	58,919	58,918	1	0,0%
Programme 7	23,765	23,299	466	2,0%
Programme 8	168,475	104,142	64,333	38,2%
Programme 9	3,148,061	3,144,557	3,504	0,1%
Programme 10	119,957	114,543	5,414	4,5%
Programme 11	58,055	42,999	15,056	25,9%
Programme 12	3,508	3,122	386	11, 0%

**Programme 1**

The variance is as a result of a saving on the budget for transfer payments.

**Programme 2**

The variance is as a result of under spending as follows:

**Integrated Nutrition Conditional Grant, R1,558,000 unspent**

Services could not be delivered within the financial year. The funds will be requested for roll over to the next financial year.

**Comprehensive HIV and AIDS, R9,240,000 unspent**

An amount of R2,500,000 for a regional training centre could not be spent within the financial year because of delays in the appointment of service providers.

An amount of R1,242,000 for a step down facility was not spent because of delays in the appointment of service providers to renovate the identified sites.

An amount of R5,000,000 for transfer to the Health Systems Trust was withheld because the contract could not be concluded timeously.

An amount of R500,000 for uniform for lay counsellors was not spent. The Department had to identify the lay counsellors who are located mainly in the rural areas where after a screening and training process were conducted before entering into contractual agreements.

The unspent funds on this grant will be requested for roll over to the next financial year.

**Hospital Management and Quality Improvement, R6,242,000 unspent**

An amount of R2,500,000 committed for a disaster recovery system was not spent because of the lack of capacity within the Department to manage the system. This function was then outsourced to SITA.

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES**  
**VOTE 10**

**NOTES TO THE APPROPRIATION STATEMENT**  
**for the year ended 31 March 2005**

An amount of R1,242,000 for wireless LAN connectivity will be outsourced during the current financial year to SITA.

An amount of R2,500,000 allocated for telemedicine equipment was not spent because of a lack of specifications. The Department then engaged the National Department of Health for assistance in this regard as this required expertise which the Department does not possess and to ensure that the specifications conform with other systems used in the country.

The unspent funds will be requested for roll over to the next financial year.

**Equitable Share, R1,848,000**

Invoices received in the last quarter of the financial year could not be processed within the reporting period. This amount will be requested for roll over.

**Programme 3**

The variance is an underspending for orders placed and awaiting delivery of emergency vehicles and equipment for R16,868,000 and R5,019,000 respectively. The amount of R21,887,000 will be requested for roll over to the next financial year.

**Programme 4**

The variance is an underspending on the conditional grant for National Tertiary Services and equitable share for R2,001,000 and R5,985,000 respectively.

The conditional grant amount of R2,001,000 was not spent because invoices for an amount of R1,501,000 were received after financial year end and an amount of R500,000 allocated for screws and plates as delivery had not yet been made.

The unspent funds on equitable share is for outstanding payments for mental health care services amounted to R3,961,000 for invoices where received after year end.

The amount of R5,962,000 will be requested for roll over to the next financial year, of which R2,001,000 is for the conditional grant and R3,961,000 is for equitable share.

**Programme 6**

The expenditure on this programme is at 100% with a saving of R1,000 which, is not material and will be surrendered to the Provincial Treasury.

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES**  
**VOTE 10**

**NOTES TO THE APPROPRIATION STATEMENT**  
**for the year ended 31 March 2005**

**Programme 7**

The expenditure on this programme is at 98% with a variance of R466,000 which, will be surrendered to the Provincial Treasury.

**Programme 8**

The variance is an underspending on funds allocated for capital work in progress as follows:

**Equitable Share**

An amount of R13,239,000 for the provision of clinics, community health care centres and accommodation.

**Provincial Infrastructure Conditional Grant**

An amount of R15,030,000 for the provision of district hospitals facilities.

**Hospital Revitalisation Conditional Grant**

An amount of R36,064,000 for provincial hospital facilities.

The underspending in this programme is mainly because of the late appointment of contractors, failure by contractors to get financial guarantees for the projects to commence and in other cases failure on the part of contractors to perform in accordance with set standards.

The unspent funds will be requested for roll over to the next financial year.

**Programme 9**

The variance is a saving as a result of the awareness and verification campaigns.

**Programme 10**

The variance is an underspending due to outstanding claims to social welfare organisations which had not yet been received at year-end.

The funds will be requested for roll over to the next financial year.

**Programme 11**

The variance is as follows:

R11,304,000 is unspent on the Food Emergency Conditional Grant. The underspending is incurred because service providers for the delivery of food parcels were appointed in the last quarter of the financial year.

R793,000 on the HIV and AIDS (Community Based Care) Conditional Grant is unspent. The reason for this is that contract workers for the projects could not be appointed within the financial year, operational costs related to these programmes could thus not be spent.

The amount of R12,097,000 for the above mentioned conditional grants is thus an underspending and will be requested for roll over to the next financial year, the remaining amount of R2,959,000 is a saving and will be surrendered to the Provincial Treasury.

**Programme 12**

The variance is not material and will be surrendered to the Provincial Treasury.



**DEPARTMENT OF HEALTH AND SOCIAL SERVICES**  
**VOTE 10**

**NOTES TO THE APPROPRIATION STATEMENT**  
**for the year ended 31 March 2005**

<b>3.2 Per economic classification</b>	<b>Voted Funds after virement</b>	<b>Actual Expenditure</b>	<b>R'000</b>	<b>%</b>
<b>Current payment:</b>				
Compensation of employees	1,307,145	1,338,597	(31,452)	2.4%
Goods and services	1,026,324	937,314	89,010	8.2%
<b>Transfers and subsidies:</b>				
Provinces and municipalities	26,777	25,759	1,018	3.8%
Departmental agencies and accounts	2,998,081	2,979,687	18,394	0,6%
Public corporations and private enterprises	11,092	11,013	79	0,7%
Foreign governments and international organisations	70	0	70	100,0%
Non-profit institutions	132,678	135,936	(3,258)	2.5%
Households	28	3,101	(3,073)	(10,975,0%)
<b>Payments for capital assets:</b>				
Buildings and other fixed structures	39,541	95,655	(56,114)	(141.9)%
Machinery and equipment	220,890	93,166	127,724	58.0%
Software and other intangible assets	187	196	(9)	(4,8%)

**Compensation of employees**

The saving is mainly in programme: 2

Critical posts had to be filled for the District Hospitals, Community health care and clinics to function optimally.

The over-expenditure is defrayed by the saving on goods and service under the same programme.

**Goods and services**

See explanation above.

**Provinces and municipalities**

The department withheld transfers because performance reports had not been received.

**Departmental agencies and accounts**

The variance is incurred mainly in the transfers for social assistance grants. National and provincial awareness campaigns and verification conducted by the department ensured that the Department remains within the budgeted allocation.

**Public corporations and private enterprises**

The variance is mainly because funds allocated in this expenditure item are for transfer to private institutions for mental health patients which expenditure depends on the number of patients referred these institutions.

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES**  
**VOTE 10**

**NOTES TO THE APPROPRIATION STATEMENT**  
**for the year ended 31 March 2005**

**Foreign governments and international organisations**

The variance is a result of funds set aside for contingencies within this allocation which could have arisen.

**Non-profit institutions**

The over expenditure is as a result of transfer made for which funds were allocated under goods and services.

**Households**

The variance is an over expenditure as a result of funds transferred to employees for leave gratuity accrued upon resignation for which expenditure varies as per the number and nature of the cases.

**Buildings and other fixed structures**

The variance is as a result of expenditure on ongoing capital projects.

**Machinery and equipment**

The variance is for the purchase of equipment for new health facilities that could not be made for facilities which were under construction as at year end.

**Software and other intangible assets**

The variance is for funds spent for software purchased.

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES**  
**VOTE 10**

**STATEMENT OF FINANCIAL PERFORMANCE**  
**for the year ended 31 March 2005**

	<i>Note</i>	<b>2004/05 R'000</b>	<b>2003/04 R'000</b>
<b>REVENUE</b>			
Annual appropriation	1	5,762,063	4,789,633
Statutory appropriation	2	750	1,224
Departmental revenue	3	24,148	34,424
<b>TOTAL REVENUE</b>		<b>5,786,961</b>	<b>4,825,281</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	4	1,338,597	1,200,013
Goods and services	5	937,314	914,338
<b>Total current expenditure</b>		<u>2,275,911</u>	<u>2,114,351</u>
<b>Transfers and subsidies</b>	8	<b>3,155,496</b>	<b>2,524,839</b>
<b>Expenditure for capital assets</b>			
Buildings and other fixed structures	9	95,655	0
Machinery and Equipment	9	93,166	58,366
Software and other intangible assets	9	196	0
<b>Total expenditure for capital assets</b>		189,017	58,366
<b>TOTAL EXPENDITURE</b>		<u><b>5,620,424</b></u>	<u><b>4,697,556</b></u>
<b>NET SURPLUS/(DEFICIT)</b>		166,537	127,725
Add back unauthorised expenditure	6	0	76,803
Add back fruitless and wasteful expenditure	7	143	0
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>		<u><b>166,680</b></u>	<u><b>204,528</b></u>
Reconciliation of Net Surplus for the year			
Voted Funds to be surrendered to the Revenue Fund/unutilised	13	142,532	170,104
Departmental receipts to be surrendered to the Revenue Fund	14	24,418	34,424
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>		<u><b>166,680</b></u>	<u><b>204,528</b></u>

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES**  
**VOTE 10**

**STATEMENT OF FINANCIAL POSITION**  
**at 31 March 2005**

	<i>Note</i>	<b>2004/05</b> <b>R'000</b>	<b>2003/04</b> <b>R'000</b>
<b>ASSETS</b>			
<b>Current assets</b>		<b>200,413</b>	<b>216,290</b>
Unauthorised expenditure	6	77,730	77,730
Fruitless and wasteful expenditure	7	545	402
Cash and cash equivalents	10	89,949	133,347
Prepayments and advances	11	35	0
Receivables	12	32,154	4,811
<b>TOTAL ASSETS</b>		<b>200,413</b>	<b>216,290</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>199,991</b>	<b>215,860</b>
Voted funds to be surrendered to the Revenue Fund	13	142,494	158,089
Departmental revenue to be surrendered to the Revenue Fund	14	1,328	2,061
Bank overdraft	15	0	1,663
Payables	16	56,170	54,048
<b>TOTAL LIABILITIES</b>		<b>199,991</b>	<b>215,861</b>
<b>NET ASSETS</b>		<b>421</b>	<b>430</b>
<b>Represented by:</b>			
Recoverable revenue		421	430
<b>TOTAL</b>		<b>421</b>	<b>430</b>

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES**  
**VOTE 10**

**STATEMENT OF CHANGES IN NET ASSETS**  
**for the year ended 31 March 2005**

	<i>Note</i>	<b>2004/05</b> <b>R'000</b>	<b>2003/04</b> <b>R'000</b>
<b>Recoverable revenue</b>			
Opening balance		430	446
Debts recovered (included in departmental revenue)	3	(430)	(446)
Debts raised		421	430
Closing balance		<u>421</u>	<u>430</u>
<b>TOTAL</b>		<u><b>421</b></u>	<u><b>430</b></u>

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES**  
**VOTE 10**

**CASH FLOW STATEMENT**  
**for the year ended 31 March 2005**

	<i>Note</i>	<b>2004/05</b> <b>R'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts		
Annual appropriated funds received		5,737,724
Statutory appropriated funds received		750
Departmental revenue received	3	23,634
Net (increase)/decrease in working capital		<u>(27,378)</u>
	17	<u>5,734,230</u>
Surrendered to Revenue Fund		(158,668)
Current payments		(2,273,789)
Transfers and subsidies paid		<u>(3,155,496)</u>
<b>Net cash flow available from operating activities</b>		<u><b>146,777</b></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for capital assets		(189,017)
Proceeds from sale of capital assets	3	<u>514</u>
<b>Net cash flows from investing activities</b>		<u><b>146,777</b></u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase/(decrease) in loans received		<u>(9)</u>
<b>Net cash flows from financing activities</b>		<u><b>(9)</b></u>
Net increase/(decrease) in cash and cash equivalents		(41,735)
Cash and cash equivalents at the beginning of the period		<u>131,684</u>
<b>Cash and cash equivalents at end of period</b>	10	<u><b>89,949</b></u>

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2004**

**1. Annual Appropriation**

- 1.1** Included are funds appropriated in terms of the Appropriation Act for National Departments (Voted funds) and Provincial Departments (Equitable Share):\*\*

	<b>Final Appropriation R'000</b>	<b>Actual Funds Received R'000</b>	<b>Variance (under) R'000</b>	<b>Total Appropriation 2003/04 R'000</b>
Programme 1	246,301	246,301	0	215,762
Programme 2	1,457,949	1,437,062	(20,887)	1,398,850
Programme 3	90,625	90,625	0	70,031
Programme 4	386,448	382,996	(3,452)	317,417
Programme 6	58,919	58,919	0	47,422
Programme 7	23,765	23,765	0	27,793
Programme 8	168,475	168,475	0	117,736
Programme 9	3,148,061	3,148,061	0	2,445,077
Programme 10	119,957	119,957	0	97,632
Programme 11	58,055	58,055	0	49,064
Programme 12	3,508	3,508	0	2,849
<b>Total</b>	<b>5,762,063</b>	<b>5,737,724</b>	<b>(24,339)</b>	<b>4,789,633</b>

**Explanation of material variances**

**Programme 2**

The variance is for funds not received on the following conditional grants:  
Integrated Nutrition Programme R4,218,000, these funds were received after year end.  
National Tertiary Services R3,452,000, which was received after year end.  
Hospital Management and Quality Improvement R3,208,000, received after year end.  
Comprehensive HIV and AIDS R13,461,000 funds withheld by National Treasury.  
The funds in this programme will be requested for roll over to the next financial year.

**Programme 4**

The variance is for funds not received on the National Tertiary Services Conditional Grant for an amount of R3,452,000, but were received after year end. The funds will be requested for roll over to the next financial year.

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2004**

<b>1.2 Conditional grants 2003/04</b>	<i>Note</i>	<b>2004/05</b>	
Total grants received	<i>Annex 1A</i>	618,800	496,146

\*\* It should be noted that the Conditional grants are included in the amounts per the Total Appropriation in Note 1.1. \*\*

**2. Statutory Appropriation**

	<b>2004/05 R'000</b>	<b>2003/04 R'000</b>
Member of the executive committee	750	1,224
	<u><b>750</b></u>	<u><b>1,224</b></u>

**3. Departmental revenue to be surrendered to revenue fund**

	<b>2004/05 R'000</b>	<b>2003/04 R'000</b>
Sales of goods and services other than capital assets	18,488	22,363
Interest dividends and rent on land	5,147	12,061
Sales of capital assets	514	0
Total revenue collected	<u>24,148</u>	<u>34,424</u>
Less: Departmental revenue paid		
<b>Departmental revenue collected</b>	<u><b>24,148</b></u>	<u><b>34,424</b></u>



**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2004**

**4 Compensation of employees**

	<b>2004/05</b>	<b>2003/04</b>
	<b>R'000</b>	<b>R'000</b>
<b>4.1 Salaries and Wages</b>		
Basic salary	899,251	835,175
Performance award	151	0
Service Based	155	179,983
Compensative/circumstantial	143,331	0
Periodic payments	6,910	0
Other non-pensionable allowances	87,078	0
	<b><u>1,136,876</u></b>	<b><u>1,015,158</u></b>

**4.2 Social contributions**

**4.2.1 Short-term employee benefits**

Pension	129,171	118,424
Medical	72,164	66,431
UIF	3	0
Bargaining council	383	0
	<b><u>201,721</u></b>	<b><u>184,855</u></b>

**Total compensation of employees**

<b><u><u>1,338,597</u></u></b>	<b><u><u>1,200,013</u></u></b>
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Average number of employees

<u>13,802</u>	<u>12,053</u>
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**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2004**

**5. Goods and services**

	<i>Note</i>	<b>2004/05 R'000</b>	<b>2003/04 R'000</b>
Advertising		10,174	902
Attendance fees (including registration fees)		917	0
Bank charges and card fees		1,196	861
Bursaries (employees)		21,064	17,988
Communication Services		32,423	26,719
Computer services		5,915	0
Consultants, contractors and special services		75,203	272,806
Courier and delivery services		84	0
Entertainment		654	11
External audit fees	5.1	2,085	3,506
Equipment less than R5000		25,684	137,646
Freight service		1	0
Government motor transport		34,127	0
Honoraria (Voluntarily workers)		1,689	0
Inventory	5.2	316,218	337,705
Legal fees		7,952	0
Maintenance, repairs and running cost		37,612	0
Medical services		89,477	0
Operating leases		6,577	8,504
Plant flowers and other decorations		58	0
Printing and publications		427	0
Professional bodies and membership fees		278	851
Resettlement cost		1,024	579
Subscriptions		108	0
System access fees		139,599	0
Owned leasehold property expenditure		71,055	0
Translations and transcriptions		1	0
Transport provided as part of the departmental activities		1,523	49,337
Travel and subsistence	5.3	35,663	9,239
Venues and facilities		2,628	1,538
Protective, special clothing & uniforms		1,593	0
Training & staff development		14,153	0
Water research/testing		152	20,474
Previous years unallocated funds		0	25,672
		<u>937,314</u>	<u>914,338</u>
		<b>2004/05 R'000</b>	<b>2003/04 R'000</b>
<b>5.1 External audit fees</b>			
Regularity audits		2,085	3,506
<b>Total external audit fees</b>		<u><b>2,085</b></u>	<u><b>3,506</b></u>

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2005**

	<b>2004/05 R'000</b>	<b>2003/04 R'000</b>
<b>5.2 Inventory (purchased during the year)</b>		
Construction work in progress	183	0
Domestic consumables	27,226	33,271
Food and Food supplies	57,135	0
Fuel, oil and gas	196	0
Laboratory consumables	77	0
Other consumables	3,241	247,499
Parts and other maintenance material	2,554	0
Stationery and printing	15,937	13,223
Restoration and fittings	7,643	0
Medical supplies	202,026	43,712
	<b><u>316,218</u></b>	<b><u>337,705</u></b>
	<b>2004/05 R'000</b>	<b>2003/04 R'000</b>
<b>5.3 Travel and subsistence</b>		
Local	35,418	9,070
Foreign	245	169
<b>Total travel and subsistence</b>	<b><u>35,663</u></b>	<b><u>9,239</u></b>

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2004**

	<b>2004/05 R'000</b>	<b>2003/04 R'000</b>
<b>6    Unauthorised expenditure</b>		
<b>6.1.   Reconciliation of unauthorised expenditure</b>		
Opening balance	77,730	927
Unauthorised expenditure current year	0	76,803
Unauthorised expenditure awaiting authorisation	<u>77,730</u>	<u>77,730</u>

**6.2        Unauthorised expenditure**

<b>Incident</b>	<b>Disciplinary steps taken/criminal proceedings</b>	<b>Total</b>
Over expenditure on programme 10 on social welfare grants	Subsequently condoned	927
Over expenditure on programme 9 on social assistance grants	Subsequently condoned	76,803
		<u>77,730</u>

	<b>2004/05 R'000</b>	<b>2003/04 R'000</b>
<b>7    Fruitless and wasteful expenditure</b>		
<b>7.1   Reconciliation of fruitless and wasteful expenditure</b>		
Opening balance	402	402
Fruitless and wasteful expenditure current year	143	0
Fruitless and wasteful expenditure awaiting condonement	<u>545</u>	<u>402</u>

**7.2   Fruitless and wasteful expenditure**

<b>Incident</b>	<b>Disciplinary steps taken/criminal proceedings</b>	
Vehicle accidents	Subsequently condoned	70
Salary payment to official who was on suspension	Subsequently condoned	332
Interest paid	Awaiting to be condoned	143
		<u>545</u>

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2005**

**8. Transfers and subsidies**

		<b>2004/05 R'000</b>	<b>2003/04 R'000</b>
	<i>Notes</i>		
Provinces and municipalities	<i>Annex 1B</i>	25,759	21,903
Departmental agencies and accounts	<i>Annex 1C</i>	2,979,687	2,447,104
Foreign governments and international organisations	<i>Annex 1E</i>	0	0
Public corporations and private enterprises	<i>Annex 1D</i>	11,013	0
Non-profit institutions	<i>Annex 1F</i>	135,936	55,832
Households	<i>Annex 1G</i>	3,101	0
		<b><u>3,155,496</u></b>	<b><u>2,524,839</u></b>

**9. Expenditure for capital assets**

		<b>2004/05 R'000</b>	<b>2003/04 R'000</b>
Buildings and other fixed structures	<i>Annex 3</i>	95,655	81,148
Machinery and equipment	<i>Annex 3</i>	93,166	58,366
Software and other intangible assets	<i>Annex 4</i>	196	186
<b>Total</b>		<b><u>189,017</u></b>	<b><u>139,514</u></b>

**10. Cash and cash equivalents**

Consolidated Paymaster General Account	(60,628)	133,330
Cash on hand	49	17
Cash with commercial banks	150,528	0
	<b><u>89,949</u></b>	<b><u>133,347</u></b>

**11. Prepayments and advances**

<b>Description</b>		
Staff advances	23	0
Claims recoverable	12	0
	<b><u>35</u></b>	<b><u>0</u></b>

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2005**

12. Receivables				2004/05 R'000	2003/04 R'000
		Less than one year	One to three years	Older than three years	Total
Staff debtors	13.1	867	0	0	867
Other debtors	13.3	13,429	13,113	4,745	31,287
		<b>14,296</b>	<b>13,113</b>	<b>4,745</b>	<b>32,154</b>
					<b>4,811</b>

Amounts of R 1,658,000 (2004: R3,581,000) included above may not be recoverable, but have not been written off in the Statement of financial performance

12.1 Staff debtors	2004/05 R'000	2003/04 R'000
Salary overpayment	867	4,293
	<b>867</b>	<b>4,293</b>
 12.2 Other debtors		
Advances	0	47
Pension Recoverable	0	3
Disallowance Miscellaneous	26,028	213
Disallowance Dishonoured cheques	11	0
Deduction allowance	24	66
Salary reversal	0	28
EBT recalls	0	14
Garnishee order deductions	0	2
Medical aids	4	9
Income tax	393	136
National Department of Health	545	0
Other	4,282	0
	<b>31,287</b>	<b>518</b>

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2005**

**13. Voted funds to be surrendered to the Revenue Fund.**

	<b>2004/05 R'000</b>	<b>2003/04 R'000</b>
Opening balance	158,088	111,576
Transfer from Statement of Financial Performance	142,532	170,104
Voted funds not requested/not received	(24,339)	(12,016)
Paid during the year	(133,787)	(111,576)
Closing balance	<u><b>142,494</b></u>	<u><b>158,089</b></u>

**14. Departmental receipts to be surrendered to the Revenue Fund**

	<b>2004/05 R'000</b>	<b>2003/04 R'000</b>
Opening balance	2,061	2,065
Transfer from Statement of Financial Performance	24,148	34,424
Paid during the year	(24,881)	(34,428)
Closing balance	<u><b>1,328</b></u>	<u><b>2,061</b></u>

**15. Bank overdraft**

	<b>2004/05 R'000</b>	<b>2003/04 R'000</b>
Paymaster General Account	0	1,663
	<u><b>0</b></u>	<u><b>1,663</b></u>

**16 Payables – current  
Description**

			<b>2004/05</b>	<b>2003/04</b>
	<i>Notes</i>	<b>30 Days    30+ Days</b>	<b>Total</b>	<b>Total</b>
Other payables	17.1	2,735    53,435	56,170	54,048
		<u><b>2,735    53,435</b></u>	<u><b>56,170</b></u>	<u><b>54,048</b></u>

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2005**

	<b>2004/05</b>	<b>2003/04</b>
	<b>R'000</b>	<b>R'000</b>
<b>16.1 Other payables</b>		
Cancelled cheques	0	176
Pension deductions	0	924
State guarantee	0	504
Persal/ACB recalls	1,575	435
Salary disallowance	1,828	138
Garnishee order	9	9
Housing deduction	3	2
Tax RSA	42	0
Housing guarantees	359	0
Advance from treasury	51,860	51,860
Leashership programme	494	0
	<b><u>56,170</u></b>	<b><u>54,048</u></b>
	<b>2004/05</b>	<b>2003/04</b>
	<b>R'000</b>	<b>R'000</b>
<b>17. Reconciliation of net cash flow from operating activities to surplus/(deficit)</b>		
Net surplus/(deficit) as per Statement of Financial Performance	142,341	160,149
(Increase)/decrease in receivables – current	(27,343)	2,140
(Increase)/decrease in prepayments and advances	(35)	0
(Increase)/decrease in other current assets	(143)	0
(Increase)/decrease in other non-current assets	0	77,906
Increase/(decrease) in payables – current	2,122	51,554
Increase/(decrease) in current liabilities	0	109,868
Proceeds from sale of equipment	(514)	0
Surrenders	(158,668)	(146,004)
Capital expenditure	189,017	123,744
Voted funds not requested/not received		(12,016)
<b>Net cash flow generated by operating activities</b>	<b><u>146,777</u></b>	<b><u>367,341</u></b>
<b>18. Appropriated funds and departmental revenue surrendered</b>		
Appropriated funds surrendered	(133,787)	(111,576)
Departmental revenue surrendered	(24,881)	(34,428)
	<b><u>(158,668)</u></b>	<b><u>(146,004)</u></b>



**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2005**

			Note	2004/05 R'000	2003/04 R'000
19.	Contingent liabilities				
	Liable to	Nature			
	Housing loan guarantees	Employees	Annex 3	11,920	12,295
	Claims			19,971	7,829
	Other departments (interdepartmental unconfirmed balances)		Annex 6	787	647
	Capped leave commitments			147,813	0
				<u>180,311</u>	<u>20,771</u>
				2004/05 R'000	2003/04 R'000
20.	Commitments per programme				
	Current expenditure				
	Approved and contracted			<u>27,173</u>	<u>3,654</u>
	Approved but not yet contracted			<u>27,173</u>	<u>3,654</u>
	Capital expenditure				
	Approved and contracted			<u>17,825</u>	<u>317</u>
				<u>17,825</u>	<u>317</u>
	Total Commitments			<u>44,998</u>	<u>3,971</u>
				2004/05 R'000	2003/04 R'000
21.	Accruals				
	Listed by economic classification				
		30 Days	30+ Days	Total	Total
	Compensation of employees	0	0	0	11
	Goods and services	11,783	6,466	18,249	24,180
	Transfers and subsidies	0	0	0	13,838
	Buildings and other fixed structures	0	0	0	121
	Machinery and equipment	377	0	377	14,593
		<u>12,160</u>	<u>6,446</u>	<u>18,626</u>	<u>52,743</u>

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2005**

**Listed by programme level**

	<b>2004/05</b>	<b>2003/04</b>
	<b>R'000</b>	<b>R'000</b>
Programme 1	1,469	19,515
Programme 2	16,150	1,774
Programme 3	38	6,076
Programme 4	56	8,300
Programme 6	186	1,330
Programme 7	250	0
Programme 8	19	0
Programme 9	174	869
Programme 10	20	11,832
Programme 11	195	3,014
Programme 12	69	33
	<b><u>18,626</u></b>	<b><u>52,743</u></b>

**Confirmed balances with other departments**

<i>Annex 6</i>	1,665	30
	<b><u>1,665</u></b>	<b><u>30</u></b>

	<b>2004/05</b>	<b>2003/04</b>
	<b>R'000</b>	<b>R'000</b>
<b>22 Employee benefits</b>		
Leave entitlement	21,065	230,863
Thirteenth cheque	39,799	62,620
Performance bonus	151	131
	<b><u>61,015</u></b>	<b><u>293,614</u></b>

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2005**

**23. Lease Commitments**

**23.1 Operating leases**

	<b>Buildings and other fixed structures</b>	<b>Machinery and equipment</b>	<b>Total</b>	<b>Total</b>
Not later than 1 year	0	1,676	1,676	2,149
Later than 1 year and not later than 3 years	0	3,791	3,791	4,262
Later than three years	0	518	518	2,232
	<u>0</u>	<u>5,985</u>	<u>5,985</u>	<u>8,643</u>

Total present value of lease liabilities

<b>0</b>	<b>5,985</b>	<b>5,985</b>	<b>8,643</b>
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**24. Receivables for services delivered (off balance sheet)**

**Nature of service**

Patient fees

**R'000**

**R'000**

44,351	38,657
<u><b>44,351</b></u>	<u><b>38,657</b></u>

An amount of R0,00 has been written-off during the year. Amount of R35, 315,684.85 is included above may not be recoverable and has not been written off.

**25 Irregular expenditure**

**25.1 Reconciliation of irregular expenditure**

Opening balance

Irregular expenditure awaiting condonement

4,341	4,341
<u><b>4,341</b></u>	<u><b>4,341</b></u>

Prior years

4,341	4,341
<u><b>4,341</b></u>	<u><b>4,341</b></u>

**25.2 Irregular expenditure**

**Incident**

Services procured in  
contravention of  
procurement regulations

**Disciplinary steps taken/criminal proceedings**

Disciplinary steps concluded

4,341

**4,341**

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2005**

**26 Senior management personnel**

Category	Salary level	2004/05		2003/04	
		Number of officials	R,000 Average Salary Amount	Number of officials	R,000 Average Salary Amount
Member of the Executive Committee	N/A	1	668	2	1,224
Deputy Director General	15	1	657	2	1,228
Chief Directors	14	4	2,135	6	3,021
Directors	13	26	12,663	26	11,114
		<b>32</b>	<b>16,123</b>	<b>36</b>	<b>16,587</b>

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2005**

**ANNEXURE 1A  
STATEMENT OF CONDITIONAL GRANTS RECEIVED**

NAME OF DEPARTMENT	GRANT ALLOCATION				SPENT			2003/04	
	Division of Revenue Act	Roll Overs	DORA Adjustments	Total Available	Amount received by department	Amount spent by department	% of available funds spent by department	Division of Revenue Act	Amount spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Provincial Treasury: Health Financial Management	0	2,008	0	2,008	2,008	2,008	100.0%	2,844	836
National Department of Health: Integrated Nutrition Programme	8,713	6,340	0	15,053	12,796	13,498	89.7%	67,1836	60,843
National Department of Health: Comprehensive HIV and AIDS	53,840	11,821	0	65,661	52,200	56,421	85.9%	34,550	22,731
National Department of Health: National Tertiary Service	41,427	7,100	0	48,527	45,075	46,526	95.9%	41,796	34,675
National Department of Health: Health Professions Training and Development	41,808	275	0	42,083	42,083	42,083	100.0%	46,575	46,300
National Department of Health: Hospital Revitalisation	68,292	20,131	0	88,423	88,423	52,359	59.2%	65,944	45,802
National Treasury: Provincial Infrastructure	35,724	4,829	0	40,553	40,553	25,418	62.7%	29,171	24,278
National Department of Health: Flood Relief	0	6,677	0	6,677	6,677	6,534	97.9%	11,016	4,339
National Department of Health: Hospital Management and quality Improvement	12,833	16,157	0	28,990	25,782	22,748	78.5%	20,273	4,191
National Department of Health: Coroner Special Services	0	1,000	0	1,000	1,000	1,000	100.0%	1,000	0
National Department of Social Development: Child Support Extension	260,013	0	0	260,013	260,013	260,013	100.0%	89,039	94,417
National Department of Social Development: Food Security	27,651	0	4,262	31,913	31,913	20,609	64.6%	27,651	23,389
National Department of Social Development: OPS Centre	0	0	0	0	0	0	0.0%	144	144
National Department of Social Development: Financial Management (Social Security)	0	0	0	0	0	0	0.0%	262	262
National Department of Social Development: Child Support	0	0	0	0	0	0	0.0%	109	109
National Department of Social Development: HIV and AIDS (Community Based Care)	10,456	0	1,782	12,238	12,238	11,445	93.5%	10,821	9,039
	<b>560,757</b>	<b>76,338</b>	<b>6,044</b>	<b>643,139</b>	<b>618,800</b>	<b>560,662</b>	<b>87,1%</b>	<b>496,146</b>	<b>378,584</b>

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2005**

**ANNEXURE 1A (CONTINUED)  
STATEMENT OF CONDITIONAL GRANTS RECEIVED**

**Reasons for material underspending:**

**Integrated Nutrition Programme**

Services could not be delivered within the financial year. Challenges with regard to procurement procedures and availability of financial systems delayed the procurement and payments processes. Thus services could not be ordered and delivered and paid for within the financial year.

On realisation that there was a risk of underspending on this grant during the course of the financial year, the Department reviewed the business plan, adjustments were made to for services which were deliverable and payable within the reporting period.

The unspent funds will be requested for roll over to the next financial year pay for the outstanding payments.

**Comprehensive HIV and AIDS**

The reasons for the underspending on this conditional grant are as follows:

- An amount of R2,500,000 for a regional training centre could not be spent within the financial year because of delays in the appointment of a contractor.
- An amount of R1,242,000 for a step down facility was not spent because of delays in the appointment of a contractor to renovate the identified sites.
- An amount of R5,000,000 for transfer to the Health Systems Trust was withheld because the contract could not be concluded timeously with the transferee. The Department has subsequently entered into a contract with the transferee.
- An amount of R500,000 for uniform for lay counsellors was not spent. The Department had to identify the lay counsellors who are located mainly in the rural areas where after screening and training of the counsellors had to be conducted before entering into contractual agreements.

The following corrective steps were taken:

- The corrective measures for the establishment of the regional training centre and the step down facility is as mentioned under corrective measures for programme 8 in 4.1 above.
- The Department signed a contractual agreement with the Health Systems Trust in the last quarter of the financial, but it would not have been appropriate for the Department to transfer the funds in the last quarter as there would not have been adequate time for the service provider to implement the plans before the end of the financial year.
- To expedite the procurement process of uniform for the lay counsellors, the Department opted to use an existing tender for uniform, however the order could only be issued in the last quarter of the financial year.

The unspent funds on this conditional grant will be requested for roll over to the next financial year.

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2005**

**Hospital Revitalisation**

The underspending in this programme is mainly because of the following reasons:

- The dissolution of the Mpumalanga Provincial Tender Board at the beginning of the financial year as part of the Province's attempts to comply with the Supply Chain Management Guidelines led to the late appointment of service providers.
- As a result of this, the Department was challenged by the transition from utilising the Provincial Tender Board to the establishing Departmental Bid Adjudication Committees.
- The completion of projects was delayed in instances wherein after appointment of service providers, guarantees were not issued timeously for the contractors to begin the construction process.
- The appointment of service providers who did not meet the required standards delayed the progress of capital projects.

The following corrective steps were taken to address these challenges:

- The Department has signed a service level agreement with the Department of Public Works which has improved mutual relations.
- The Department will strengthen the management of capital projects by appointing a project manager and architect to focus on the capital revitalisation projects of the Department. Advertisements of the vacancies have been made to this regard.
- All capital projects were submitted timeously to the Department of Public Works to avoid the late appointment of contractors.
- The participation of Departmental officials in the Joint Bid Adjudication Committee on capital projects is an attempt to promote the interests of the Department in the appointment of contractors.

The unspent funds will be requested for roll over to the next financial year to continue with the projects.

**Provincial Infrastructure**

The reasons for the underspending in this conditional grant and the corrective steps taken are as stated under Hospital Revitalisation above. These funds will also be requested for roll over to the next financial year.

**Hospital Management and Quality Improvement**

The reasons for the underspending are as follows:

- The lack of capacity within the Department to manage a disaster recovery system which was to be procured for an amount of R2,500,000 and wireless LAN connectivity which was to be procured for R1,242,000 led to late implementation of the plans.
- An amount of R2,500,000 allocated for telemedicine equipment was not spent because of the lack of specifications.

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES**  
**VOTE 10**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2005**

The following corrective steps were taken:

- The management of the disaster recovery system and the establishment of the wireless LAN connectivity have been outsourced to SITA.
- The Department engaged the National Department of Health for assistance with the development of the specifications for telemedicine equipment for the technical expertise, which the Department does not possess and to ensure that the specifications conform with other systems used in the country.

The unspent funds on this conditional grant will be requested for roll over to the next financial year.

**Food Emergency Services**

The underspending is incurred because service providers for the delivery of food parcels were appointed in the last quarter of the financial year. Although the risk of underspending on this conditional grant was apparent as per the in year financial management reports, the Department had to wait for the appointment of service providers by the National Department of Social Development.

The funds will be requested for roll over to the next financial year for the delivery of the food parcels and related operational costs.



**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2005**

**ANNEXURE 1B  
STATEMENT OF TRANSFERS PAID TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2003/04
	Division of Revenue Account	Roll Overs	DORA Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Division of Revenue Account
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Albert Luthuli	475	0	0	475	0	0.0%	0	0	0.0%	448
Delmas	1,751	0	0	1,751	1,842	105.2%	1,842	1,842	105.2%	1,564
Ehlanzeni	0	0	0	0	50	(100.0%)	50	50	(100.0%)	3,500
Emalah EC136	3,920	0	0	3,920	4,844	123.6%	4,844	4,844	123.0%	
Govern Mbeki	1,612	0	0	1,612	1,849	114.8%	1,850	1,850	114.8%	1,521
Emakhazeni	0	0	0	0	188	(100.0%)	189	189	(100.0%)	184
Lekwa	1,152	0	0	1,152	1,344	116.8%	1,345	1,345	116.0%	1,087
Mbombela	1,293	0	0	1,293	1,155	89.4%	1,156	1,156	89.4%	1,175
Mkhonto	452	0	0	452	505	111.7%	505	505	111.7%	426
Msukalingwa	1,616	0	0	1,616	1,533	94.9%	1,534	1,534	94.9%	1,524
Nkomazi	1,601	0	0	1,601	1,178	73.6%	1,179	1,179	73.6%	1,456
Steve Tshwete	0	0	0	0	5,921	(100.0%)	5,921	5,921	(100.0%)	4,101
Thaba Chweu	768	0	0	768	566	73.7%	566	566	73.7%	698
Umgjindini	628	0	0	628	513	81.7%	513	513	81.7%	571
Nkangala District DC	1,332	0	0	1,332	1,172	88.0%	1,172	1,172	88.0%	0
Ehlanzeni District DC	1,777	0	0	1,777	1,686	94.9%	1,687	1,687	94.9%	0
Gert Sibande District DC	1,309	0	0	1,309	1,089	82.6%	1,081	1,081	82.6%	0
Sekhukhuni cross border	0	0	0	0	317	(100.0%)	316	316	(100.0%)	0
Waterval Boven	221	0	0	221	0	0.0%	0	0	0.0%	197
Marble Hall	452	0	0	452	0	0.0%	0	0	0.0%	404
Groblersdal	540	0	0	540	0	0.0%	0	0	0.0%	482
Pixly Ka seme	0	0	0	0	0	0.0%	0	0	0.0%	48
Seme	51	0	0	51	0	0.0%	0	0	0.0%	0
Middelburg	4,593	0	0	4,593	0	0.0%	0	0	0.0%	0
Highlands	206	0	0	206	0	0.0%	0	0	0.0%	0
Unallocated	1,028	0	0	1,028	0.0%	0.0%	0	0	0.0%	970
	<b>26,777</b>	<b>0</b>	<b>0</b>	<b>26,777</b>	<b>25,759</b>	<b>96.0%</b>	<b>25,750</b>	<b>25,750</b>	<b>100.0%</b>	<b>20,356</b>

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2005**

**ANNEXURE 1B (CONTINUED)  
STATEMENT OF TRANSFERS PAID TO MUNICIPALITIES**

**Reasons for material underspending:**

The funds that have not been transferred amount to R1,027,000 which more or less equals the unallocated amount of R1,028,000 budgeted for contingencies.

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2005**

**ANNEXURE 1C**

**STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

AGENCY/ACCOUNTS	TRANSFER ALLOCATION				TRANSFER		2003/04
	Appropriatio n Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriati on Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Empilweni Payout	1,646,471	0	0	1,646,471	1,635,628	99.3%	1,573,147
ACB	776,905	0	0	776,905	771,727	99.3%	481,813
South African Postal Services	564,090	0	0	564,090	560,374	99.3%	431,312
EBT	8,503	0	0	8,503	8,447	99.3%	2,444
Sesifuba	0	0	0	0	0	0.0%	2,519
Wenakker	0	0	0	0	0	0.0%	31
Medunsa and Uni. of Pretoria	0	0	0	0	0	0.0%	6,121
Compensation commissioner	325	0	0	325	233	71.7%	0
Other State Agencies	1,787	0	0	1,787	3,226	180.5%	0
	<b>2,998,081</b>	<b>0</b>	<b>0</b>	<b>2,998,081</b>	<b>2,979,625</b>	<b>99.3%</b>	<b>2,497,387</b>

**Reasons for material underspending:**

**Compensation commissioner**

The underspending on compensation commissioner because these are allocations for injury on duty and the expenditure varies depending on the number of cases to which the Department is liable to pay to the workmen's compensation.

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2005**

**ANNEXURE 1D**

**STATEMENT OF TRANSFERS SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES**

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				TRANSFER				2003/04
	Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Capital	Current	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
<b>Transfers</b>									
<b>Private enterprises</b>									
Glendrind MIB- Motor insurance	0	0	0	0	6	(100,0%	0	6	0
Life care	0	0	11,092	11,092	11,007	99,0%	0	11,007	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>11,092</b>	<b>11,092</b>	<b>11,013</b>	<b>99,0%</b>	<b>0</b>	<b>11,013</b>	<b>0</b>

**Reasons for material underspending:**

**Life care**

The allocation to life care is for patients transferred to these institution for mental health care, payments are made on a cost recovery basis. Expenditure on this allocation thus varies depending on the number of referrals.

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2005**

**ANNEXURE 1E**

**STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS**

FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION				TRANSFER		2003/04
	Appropriation Act	Roll overs	Adjustment s	Total Availabl e	Actual Transfer	% of Available funds Transferre d	Appropriatio n Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
Unallocated	0	0	70	70	0	0.0%	0
	0	0	70	70	0	0.0%	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>70</b>	<b>70</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>

**Reasons for material underspending:**

The funds were not allocated to a specific foreign government or international organisation but were for contingencies that could have arisen.

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2005**

**ANNEXURE 1F  
STATEMENT OF TRANSFERS TO NON-PROFIT ORGANISATIONS**

	TRANSFER ALLOCATION				TRANSFER		2003/04
	Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>NON-PROFIT ORGANISATIONS</b>							
<b>Transfers</b>							
Health and social welfare organisations	132,678	0	0	132,678	135,936	102.5%	67,576

**Reasons for under-spending**

The over expenditure is as a result of transfer made for which funds were allocated under goods and services.

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2005**

**ANNEXURE 1G  
STATEMENT OF TRANSFERS TO HOUSEHOLDS**

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2003/04
	Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
Employee leave gratuity	0	0	28	28	3,101	11,079%	0
	<b>0</b>	<b>0</b>	<b>28</b>	<b>28</b>	<b>3,101</b>	<b>11,079%</b>	<b>0</b>
	<b>0</b>	<b>0</b>	<b>28</b>	<b>28</b>	<b>3,102</b>	<b>11,079%</b>	<b>0</b>

**Reasons for material underspending:**

The allocation is mainly for leave credits accrued to employees upon termination of service. The expenditure varies according to the number of cases.

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2005**

**ANNEXURE 2**

**STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2005 – LOCAL**

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2004	Guarantees issued during the year	Guarantees released during the year	Guaranteed interest for year ended 31 March 2005	Closing balance 31 March 2005	Realised losses i.r.o. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
Standard Bank	Housing	7,142	1,172	465	(74)	0	1,563	0
NetBank Limited	Housing	2,605	1,219	170	(86)	0	1,303	0
First National Bank	Housing	7,104	1,280	112	(107)	0	1,285	0
ABSA Bank	Housing	15,354	2,966	382	(218)	0	3,130	0
Unique Finance	Housing	0	290	15	(32)		273	
People Bank	Housing	11,248	1,206	17	(54)	0	1,169	0
Old Mutual Bank	Housing	12,993	2,961	73	(147)	0	2,887	0
Hlano Financial Service	Housing	60	11	0	0	0	11	0
VBS Mutual bank	Housing	0	0	29	0	0	29	0
Mpumalanga housing	Housing	874	193	56	(48)	0	201	0
MLS Bank Limited	Housing	83	17	0	0	0	17	0
SA Home loans	Housing	0	25	0	(25)	0	0	0
Green Start Home Loans	Housing	92	37	0	0	0	37	0
SouthNet Financial Service	Housing	74	15	0	0	0	15	0
Permanent Bank	Housing	175	0	0	0	0	0	0
<b>African Bank</b>	<b>Housing</b>	<b>1,715</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>		<b>59,520</b>	<b>11,392</b>	<b>1,319</b>	<b>(791)</b>	<b>0</b>	<b>11,920</b>	<b>0</b>

**Note**

The opening balances are not the same as those stated as closing balances on the audited annual financial statement. The reason for this is that the balances are affected by backdated transactions.



**DEPARTMENT OF HEALTH AND SOCIAL SERVICES**  
**VOTE 10**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2005**

**ANNEXURE 3**

**PHYSICAL ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2005**

	Opening Balance R'000	Additions R'000	Disposals R'000	Transfers in R'000	Transfers out R'000	Closing balance R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>		<b>95,655</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Non-residential buildings		95,655	0	0	0	0
Other structures (Infrastructure assets)		0	0	0	0	0
Capital work in progress		0	0	0	0	0
<b>MACHINERY AND EQUIPMENT</b>		<b>93,166</b>	<b>514</b>	<b>0</b>	<b>88</b>	<b>0</b>
Computer equipment		15,432	0	0	67	0
Furniture and office equipment		2,666	0	0	21	0
Other machinery and equipment		44,103	11	0	0	0
Transport assets		30,965	503	0	0	0
		<b>188,821</b>	<b>514</b>	<b>0</b>	<b>88</b>	<b>0</b>

**PHYSICAL ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2004**

	Opening Balance R'000	Additions R'000	Disposals R'000	Transfers in R'000	Transfers out R'000	Closing balance R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>		<b>81,148</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Other structures (Infrastructure assets)		70,514	0	0	0	0
Capital work in progress		10,634	0	0	0	0
<b>MACHINERY AND EQUIPMENT</b>		<b>58,366</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Computer equipment		8,993	0	0	0	0
Furniture and office equipment		7,452	0	0	0	0
Other machinery and equipment		33,224	0	0	0	0
Transport assets		8,697	0	0	0	0
		<b>139,514</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
VOTE 10**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2005**

**ANNEXURE 4**

**SOFTWARE AND OTHER INTANGIBLE ASSETS MOVEMENT SCHEDULE AS AT 31 March 2005**

	Opening Balance R'000	Additions	Disposals R'000	Transfers in R'000	Transfers out R'000	Closing balance R'000
Computer software	186	196	0	0	0	382
	<b>186</b>	<b>196</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>328</b>

**SOFTWARE AND OTHER INTANGIBLE ASSETS MOVEMENT SCHEDULE AS AT 31 March 2004**

	Opening Balance R'000	Additions	Disposals R'000	Transfers in R'000	Transfers out R'000	Closing balance R'000
Computer software	186	0	0	0	0	186
	<b>186</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>186</b>

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES**  
**VOTE 10**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2005**

**ANNEXURE 5**  
**INTER-GOVERNMENT RECEIVABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding	
	31/03/2005 R'000	31/03/2004 R'000	31/03/2005 R'000	31/03/2004 R'000
<b>Departments</b>				
Public Works Roads	0	43	0	0
	0	43	0	0
<b>TOTAL</b>	<b>0</b>	<b>43</b>	<b>0</b>	<b>43</b>

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES**  
**VOTE 10**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2005**

**ANNEXURE 6**  
**INTER-GOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding	
	31/03/2005 R'000	31/03/2004 R'000	31/03/2005 R'000	31/03/2004 R'000
<b>Department</b>				
Amounts not included in	0	29	0	0
Statement of financial position				
Current	1,665	1	0	647
Non-current	0	0	787	0
<b>Total</b>	<b>1,665</b>	<b>30</b>	<b>787</b>	<b>647</b>

## HUMAN RESOURCE MANAGEMENT (Section E)

### 5. HUMAN RESOURCE MANAGEMENT

#### 5.1. Expenditure

Departments budget in terms of clearly defined programmes. The following tables summarise final audited expenditure by programme (Table 5.1.1) and by salary bands (Table 5.1.2). 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 5.1.1 – Personnel costs by programme, 2004/ 05**

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training /Admin Expenditure (R'000)	Professional and Special Services (R'000)	Personnel cost as a percent of total expenditure	Average personnel cost per employee (R'000)
Administration	48,383	18,700	132	0	38	148
Social Assistance	3,144,557	17,879	111	0	0,6	107
Social Welfare Services	114,543	34,307	10	0	29,5	118
Social Development	42,999	5,415	300	0	12,6	111
Population Unit	3,122	1,750	0	0	56	291
Total	3,353,604	78,051	553	0	2,3	122

**TABLE 5.1.2 – Personnel costs by salary bands, 2004/ 05**

Salary bands	Personnel Expenditure (R'000)	% of total Personnel costs	Average personnel cost per employee	Total personnel expenditure	Number of employees
Lower skilled (Levels 1-2)	2,995	1,9	50,712	2,995	59
Skilled (Levels 3-5)	16,157	0,6	69,343	16,157	233
Highly skilled production (Levels 6-8)	40,367	29,5	150,900	40,367	265
Highly skilled supervision (Levels 9-12)	13,980	27,4	199,710	13,980	70
Senior management (Levels 13-16)	4,552	40,1	455,200	4,552	10
Total	78,051	100	128,020	78,051	637

**TABLE 5.1.3 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by programme, 2004/ 05**

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
Administration	18,700	24	34	0.4	72	0.8	457	4.5
Social Assistance	17,879	23	90	1.3	75	1.1	467	6.6
Social Welfare Service	34,307	44	51	0.4	133	0.8	894	5
Development Implementation Support	5,415	6,9	14	0.7	6	0.3	76	3.9
Population Unit	1,750	2,2	0	0	10	1.5	16	2.5
<b>Total</b>	<b>78,051</b>	<b>100</b>	<b>189</b>	<b>2.8</b>	<b>296</b>	<b>0.9</b>	<b>1,910</b>	<b>5,9</b>

**TABLE 5.1.4 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands, 2004/ 05**

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)	2,995	4	18	0.1	35	0.8	296	6.9
Skilled (Levels 3-5)	16,157	21	92	0.9	62	0.6	761	7.3
Highly skilled production (Levels 6-8)	40,367	51	155	0.5	262	0.9	1,609	5.4
Highly skilled supervision (Levels 9-12)	13,980	18	51	0.4	106	0.9	385	3.3
Senior Management (Level 13-16)	4,552	6	0	0	0	0	105	2.5
<b>Total</b>	<b>78,051</b>	<b>100</b>	<b>316</b>	<b>0.5</b>	<b>465</b>	<b>0.8</b>	<b>3,156</b>	<b>5.2</b>

## 5.2. 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. The information is presented in terms of three key variables: - programme (Table 5.2.1), salary band (Table 5.2.2) and critical occupations (Table 5.2.3). Departments have identified critical occupations that need to be monitored. Table 5.2.3 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 5.2.1 – Employment and vacancies by programme, 31 March 2005**

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Administration	551	126	77	0
Social Assistance	422	166	60.6	0
Social Welfare Services	681	290	57	0
Development Implementation Support	264	49	81	0
Population Unit	28	6	78.6	0
<b>Total</b>	<b>1946</b>	<b>637</b>	<b>67</b>	<b>0</b>

**TABLE 5.2.2 – Employment and vacancies by salary bands, 31 March 2005**

Salary band	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2)	208	59	71	0
Skilled (Levels 3-5)	760	233	69	0
Highly skilled production (Levels 6-8)	821	265	68	0
Highly skilled supervision (Levels 9-12)	142	70	51	0
Senior management (Levels 13-16)	15	10	33	0
<b>Total</b>	<b>1946</b>	<b>637</b>	<b>67</b>	<b>0</b>

**TABLE 5.2.3 – Employment and vacancies by critical occupation, 31 March 2005**

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Social Workers	322	204	36	0
Social Security	422	166	60	101 contract
Development Implementation Support	264	49	81	10 contract
<b>Total</b>	<b>1008</b>	<b>419</b>	<b>58</b>	<b>111 contract</b>

### 5.3. Job Evaluation

The following table (Table 5.3.1) 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 5.3.1 – Job Evaluation, 1 April 2004 to 31 March 2005**

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)	208	0	0	0	0	0	0
Skilled (Levels 3-5)	760	13	0	18	0	0	0
Highly skilled production (Levels 6-8)	821	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	142	0	0	0	0	0	0
Senior Management Service Band A	11	0	0	0	0	0	0
Senior Management Service Band B	3	0	0	0	0	0	0
Senior Management Service Band C	1	0	0	0	0	0	0
<b>Total</b>	<b>1946</b>	<b>13</b>	<b>0</b>	<b>18</b>	<b>0</b>	<b>0</b>	<b>0</b>

**TABLE 5.3.2 – Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2004 to 31 March 2005**

13 Child and Youth Care Workers

5 Secretaries

**TABLE 5.3.3 Total Number of Employees whose salaries exceeded the grades determined by job evaluation in 2004/ 05**

None

## 5.4. 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 5.4.1) and by critical occupations (Table 5.4.2). (These "critical occupations" should be the same as those listed in Table 5.2.3)



**TABLE 5.4.1 – Annual turnover rates by salary band for the period 1 April 2004 to 31 March 2005**

Salary Band	Number of employees per band as on 1 April 2004	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	57	4	2	3.5
Skilled (Levels 3-5)	204	32	3	14.2
Highly skilled production (Levels 6-8)	263	10	4	2.3
Highly skilled supervision (Levels 9-12)	75	1	7	8
Senior Management Service Band A	9	0	1	11
Senior Management Service Band B	3	0	1	33.3
Senior Management Service Band C	1	0	1	0
Senior Management Service Band D		0	0	
<b>Total</b>	<b>611</b>	<b>47</b>	<b>19</b>	<b>4.5</b>

**TABLE 5.4.2 – Annual turnover rates by critical occupation for the period 1 April 2004 to 31 March 2005**

Occupation:	Number of employees per occupation as on 1 April 2004	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Social Workers	188	15	3	6.4
Social Security	143	13	3	6.9
Development Implementation	23	15	1	6.6
<b>Total</b>	<b>304</b>	<b>43</b>	<b>7</b>	<b>11.8</b>

Table 5.4.3 identifies the major reasons why staff left the department.

**Table 5.4.3 – Reasons why staff are leaving the department**

Termination Type	Number	% of total
Death	3	15.7
Resignation	3	15.7
Expiry of contract	0	0
Dismissal – operational changes	0	0
Dismissal – misconduct	0	0
Dismissal – inefficiency	0	0
Discharged due to ill-health	1	5.2
Retirement	1	5.2
Transfers to other Public Service Departments	11	58
Other	0	0
<b>Total</b>	<b>19</b>	<b>100</b>
Total number of employees who left as a % of the total employment		

**Table 5.4.4 – Promotions by critical occupation**

Occupation:	Employees as at 1 April 2004	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
Social Workers	193	64	33	72	37
Social Security	143	5	3.4	98	68
Development Implementation Support	25	7	28	23	92
<b>Total</b>	<b>361</b>	<b>76</b>	<b>21</b>	<b>193</b>	<b>53.4</b>

**Table 5.4.5 – Promotions by salary band**

Salary Band	Employees 1 April 2004	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)	57	0	0	34	60
Skilled (Levels 3-5)	204	4	2	81	39.7
Highly skilled production (Levels 6-8)	263	81	31	169	64
Highly skilled supervision (Levels 9-12)	75	12	16	34	45
Senior Management (Levels 13-16)	12	0	0	0	0
<b>Total</b>	<b>611</b>	<b>97</b>	<b>15.9</b>	<b>318</b>	<b>52</b>

## 5.5. Employment Equity

The tables in this section are based on the formats prescribed by the Employment Equity Act, 55 of 1998.

**5.5.1. Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2005**

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	29	1	0	7	42	0	0	10	89
Professionals	58	0	0	1	159	1	1	10	230
Clerks	105	0	0	6	121	2	0	25	259
Elementary occupations	15	0	0	0	44	0	0	0	59
<b>Total</b>	<b>207</b>	<b>1</b>	<b>0</b>	<b>14</b>	<b>366</b>	<b>3</b>	<b>1</b>	<b>45</b>	<b>637</b>

**5.5.2. Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2005**

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	1	0	0	0	2
Senior Management	11	0	0	1	15	0	0	2	29
Professionally qualified and experienced specialists and mid-management	58	1	0	6	158	1	1	18	243
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	52	0	0	5	66	2	0	22	147
Semi-skilled and discretionary decision making	70	0	0	2	82	0	0	3	157
Unskilled and defined decision making	15	0	0	0	44	0	0	0	59
<b>Total</b>	<b>207</b>	<b>1</b>	<b>0</b>	<b>14</b>	<b>366</b>	<b>3</b>	<b>1</b>	<b>45</b>	<b>637</b>

**5.5.3. Recruitment for the period 1 April 2004 to 31 March 2005**

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	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	3	0	0	0	4		0	0	7
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	8	0	0	0	11	0	0	0	19
Semi-skilled and discretionary decision making	5	0	0	0	8	0	0	0	13
Unskilled and defined decision making	1	0	0	0	1	0	0	0	2



### 5.5.6 Disciplinary action for the period 1 April 2004 to 31 March 2005

Occupational Bands	Male				Female				Total
	<u>African</u>	<u>Coloured</u>	<u>Indian</u>	<u>White</u>	<u>African</u>	<u>Coloured</u>	<u>Indian</u>	<u>White</u>	
Disciplinary action	10	1	0	0	6	0	0	0	17

### 5.5.7 Skills development for the period 1 April 2004 to 31 March 2005

Occupational categories	Male				Female				Total
	1.1.1.1 <u>African</u>	<u>Coloured</u>	<u>Indian</u>	<u>White</u>	<u>African</u>	<u>Coloured</u>	<u>Indian</u>	<u>White</u>	1.1.1.1
Legislators, senior officials and managers	14	01	0	02	37	0	02	05	83
Professionals	09	0	0	0	109	01	01	02	401
Clerks	51	0		01	58	0	0	03	101
Elementary occupations	3	0	0	0	8	0	0	0	27
<b>Total</b>	<b>77</b>	<b>01</b>	<b>0</b>	<b>03</b>	<b>222</b>	<b>01</b>	<b>03</b>	<b>10</b>	<b>602</b>
Employees with disabilities	01	0	0	0	01	0	0	0	2

## 5.6. Performance Rewards

TABLE 5.6.1 – Performance Rewards by race, gender, and disability, 1 April 2004 to 31 March 2005

There were no people given performance rewards during this period.

TABLE 5.6.2 – Performance Rewards by salary bands for personnel below Senior Management Service, 1 April 2004 to 31 March 2005

None

TABLE 5.6.3 – Performance Rewards by critical occupations, 1 April 2004 to 31 March 2005

None

## 5.7. Foreign Workers

The Department did not have any foreign workers.

## 5.8. Leave utilization for the period 1 January 2004 to 31 December 2004

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 5.8.1) and disability leave (Table 5.8.2). In both cases, the estimated cost of the leave is also provided.

**TABLE 5.8.1 – Sick leave, 1 January 2004 to 31 December 2004**

Salary Band	Total days	% days with medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days/employee	Estimated Cost (R'000)	Total days with Med certification
Lower skilled (Levels 1-2)	200	95	35	15.8	6	29	190
Skilled (Levels 3-5)	453	94.9	82	37.1	6	98	430
Highly skilled production (Levels 6-8)	506	92.3	82	37.1	6	189	467
Highly skilled supervision (Levels 9-12)	174	93.7	20	9	9	119	163
Senior management (Levels 13-16)	46	100	3	1	15	72	46
<b>Total</b>	<b>1379</b>	<b>93.7</b>	<b>222</b>	<b>100</b>	<b>42</b>	<b>507</b>	<b>1294</b>

**TABLE 5.8.2 – Disability leave (temporary and permanent), 1 January 2004 to 31 December 2004**

No employee used temporary disability leave.

Table 5.8.3 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 5.8.3 – Annual Leave, 1 January 2004 to 31 December 2004**

Salary Bands	Total days taken	No. of employees using annual leave	Average days per employee
Lower skilled (Levels 1-2)	1382	91	15
Skilled Levels 3-5)	2358	190	12
Highly skilled production (Levels 6-8)	3036	207	15
Highly skilled supervision (Levels 9-12)	624	45	14
Senior management (Levels 13-16)	194	13	15
<b>Total</b>	<b>7594</b>	<b>546</b>	<b>14</b>

**TABLE 5.8.4 – Capped leave, 1 January 2004 to 31 December 2004**

Salary Bands	Total days of capped leave taken	Number of employees using leave days	Average capped leave per employee as at 31 December 2003
Lower skilled (Levels 1-2)	1	1	1
Skilled Levels 3-5)	12	3	4
Highly skilled production (Levels 6-8)	11	3	4
Highly skilled supervision (Levels 9-12)	8	1	8
Senior management (Levels 13-16)	9	1	9
<b>Total</b>	<b>41</b>	<b>9</b>	<b>6</b>

**TABLE 5.8.5 – Leave payouts for the period 1 April 2004 to 31 March 2005**

The following table summarizes payments made to employees as a result of leave that was not taken.

REASON	Total Amount (R'000)	Number of Employees	Average payment per employee
Leave payout for 2003/04 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave payouts on termination of service for 2003/04	17	3	5667
Current leave payout on termination of service for 2003/04	5	2	2500
<b>Total</b>	<b>22</b>	<b>7</b>	<b>3143</b>

## 5.9. HIV/AIDS & Health Promotion Programmes

TABLE 5.9.1 – 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
N/A	We have Workplace HIV/Aids policy in place and Action plan implemented.

TABLE 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.	X		Chief Director: Corporate Services
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.	X		Two staff members R30,000
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.	X		An Employee Assistance Co-ordinator is appointed.
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.	X		N Ngalo: Corp Serv A Matsane: HRM R. Mokoena: Soc Security T Motlonye: Com Dev C. Nkambule: Denosa P. Mlambo: Finance R. Langa: EAP Co-ordinator T. Mhlongo: HIV & Aids Co-ord Ina Vermaak: PSA Anton Makofane: Nehawu O. Maloka: LRO S. Mokoena: Provisioning T. Maaga: Welfare Services
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.	X		Recruitment policy Workplace HIV and AIDS policy
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.	X		We have the Workplace HIV and AIDS policy
7. Does the department encourage its employees to undergo Voluntary Counseling and Testing? If so, list the results that you have achieved.	X		Test results confidential.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.		X	



## 5.10. Labour Relations

The following collective agreements were entered into with trade unions within the department.

**TABLE 5.10.1 – Collective agreements, 1 April 2004 to 31 March 2005**

If there were no agreements, then use the following table

Total collective agreements	None
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The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

**TABLE 5.10.2 – Misconduct and disciplinary hearings finalized, 1 April 2004 to 31 March 2005**

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	2	15.3
Verbal warning	0	0
Written warning	7	54
Final written warning	1	7.7
Suspended without pay	0	0
Fine	0	0
Demotion	0	0
Dismissal	0	0
Not guilty	0	0
Case withdrawn	3	23
Total	13	100

**TABLE 5.10.3 – Types of misconduct addressed at disciplinary hearings**

Type of misconduct	Number	% of total
Insubordination	2	12
Corruption	3	17.6
Absenteesm	7	41
Assault	0	0
Theft	0	0
Misuse of MG Vehicles	2	12
Unauthorised processing of grants	3	17.6
Total	17	100

**TABLE 5.10.4 – Grievances lodged for the period 1 April 2004 to 31 March 2005**

Number of grievances lodged	Number	% of total
Number of grievances resolved	3	60
Number of grievances not resolved	2	40
Total number of grievances lodged	5	100

**TABLE 5.10.5 – Disputes lodged with Councils for the period 1 April 2004 to 31 March 2005**

Disputes lodged	Number	% of Total
Number of disputes held	02	100
Number of disputes dismissed	0	0
Total number of disputes lodged	05	100

**TABLE 5.10.6 – Strike actions for the period 1 April 2004 to 31 March 2005**

Total number of person working days lost	14,128
Total cost (R'000) of working days lost	21,425
Amount (R'000) recovered as a result of no work no pay	0

**TABLE 5.10.7 – Precautionary suspensions for the period 1 April 2004 to 31 March 2005**

Number of people suspended	3
Number of people whose suspension exceeded 30 days	3
Average number of days suspended	180
Cost (R'000) of suspensions	28,101

## 5.11. Skills development

This section highlights the efforts of the department with regard to skills development.

**TABLE 5.11.1 Training needs identified 1 April 2004 to 31 March 2005**

Occupational Categories	Gender	Number of employees as at 1 April 2004	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	103	0	25		25
	Male			16		16
Professionals	Female	214	0	50	200	250
	Male			25	140	165
Clerks	Female	241	2	120		122
	Male		2	60		62
Elementary occupations	Female	57		25		25
	Male			2		2
Sub Total	Female		2	220	200	422
	Male		2	103	140	245
<b>Total</b>		<b>611</b>	<b>4</b>	<b>323</b>	<b>340</b>	<b>667</b>

**TABLE 5.11.2 Training provided 1 April 2004 to 31 March 2005**

Occupational Categories	Gender	Number of employees as at 1 April 2004	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	103	0	57	0	57
	Male			26		26
	<b>Total</b>	<b>103</b>	<b>0</b>	<b>83</b>	<b>0</b>	<b>83</b>
Professionals	Female	214	0	160	149	309
	Male			44	48	92
	<b>Total</b>	<b>214</b>	<b>0</b>	<b>204</b>	<b>197</b>	<b>401</b>
Clerks	Female	241	9	56	0	65
	Male		5	31		36
	<b>Total</b>	<b>241</b>	<b>14</b>	<b>87</b>	<b>0</b>	<b>101</b>
Elementary occupations	Female	57	0	25		25
	Male			2		2
	<b>Total</b>	<b>57</b>	<b>0</b>	<b>27</b>	<b>0</b>	<b>27</b>
Sub Total	Female		9	289	149	456
	Male		5	103	48	156
	<b>Total</b>		<b>14</b>	<b>392</b>	<b>197</b>	<b>612</b>
<b>Total</b>		<b>615</b>	<b>28</b>	<b>793</b>	<b>245</b>	<b>1224</b>

## 5.12. Injury on duty

The following table provide basic information on injury on duty.

TABLE 5.12.1 – Injury on duty, 1 April 2004 to 31 March 2005

Nature of injury on duty	Number	% of total
Required basic medical attention only	0	0
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	0	0

## 5.13. Utilization of Consultants

Table 5.13.1: Report on consultants appointments using appropriated funds, 1 April 2004 to 31 March 2005

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Experiences and Needs of Older Persons in Mpumalanga	3 excluding the data collection team	120	R 657 141.60
Team Building exercise during the Strategic Planning sessions	2 persons	1	R 8 200.00