

PART 1: GENERAL INFORMATION

1.1 Submission of the Annual Report to the executive authority



Verwysing
Reference
Isalathiso

13/3/1

Departement van Gesondheid
Department of Health
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Minister P Uys
Minister of Health

In accordance with section 40(1)(d) of the Public Finance Management Act, 1999; the Public Service Act, 1994 (as amended) and the National Treasury Regulations (NTR), I hereby submit the Department of Health's Annual Report on financial statements, performance indicators and departmental activities for the 2004/2005 financial year.

Please note in terms of section 65(1)(a) of the Public Finance Management Act, 1999 the MEC is required to table the report in the Provincial Legislature by 30 September 2005. In the event that this is not possible, in terms of section 65(2)(a) of the Public Finance Management Act, 1999, the MEC is required to provide a written explanation within six months of the end of the relevant financial year, i.e. by 30 September 2005.

A handwritten signature in black ink, appearing to read "Engelbrecht".

DR EH ENGELBRECHT
ACTING HEAD: HEALTH

Date: 20 September 2005

1.2 Introduction

The financial period April 2004 to March 2005 was once again a very busy and challenging time for Health. Healthcare 2010 remains the cornerstone of the Provincial Department of Health's policy. The two-fold goal of Healthcare 2010 is to deliver a better-quality health service, on the one hand; and to make sure expenditure remains within budget, on the other hand.

The framework for the implementation of Healthcare 2010 has been developed during the course of the 2004/05 financial year. This includes a comprehensive service and bed plan to provide the blueprint for the required reshaping of services at all levels. The service plan is also linked to the generic staffing models to facilitate the provision of the optimal number and skill mix of personnel at each level of care.

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

Other significant policy changes include the implementation of the staff management system, which it is hoped will lead to improved staff morale and outputs and in turn to improved health outcomes.

1.3 Policy decisions and strategic issues

The National Health Act, 2003 (no.61 of 2003) has been signed by the President and came into effect on 2 May 2005, excluding chapters 6 and 8 and certain sections of other chapters as stipulated in Proclamation R.19 of 18 April 2005, gazette number 27503.

The National Health Act has important implications for the province as new provincial health structures are created. For example, the Provincial Health Council, which will act as an advisory body to the provincial Minister will have to be established 90 days of the commencement of the Act.

The Act also obligates the provincial Minister to:

- Establish a provincial statutory body whose main function will be to promote and facilitate interaction, communication and the sharing of information on provincial issues.
- Establish District Health Council for each health district within the province.

These Councils can only be established after the provincial Minister for Local Government and the respective municipal councils of either the metropolitan or district councils have been consulted.

From 1 April 2005 the Department of Health will assume responsibility of Personal Primary Health Care (PPHC) services in the non-metropolitan areas. This is the result of the provisions of the Health Act (of 2003), read together with the Municipal Finance Management Act (56 of 2003) and the Municipal Structures Act (117 of 1998 as amended).

The Mental Health Care Act of 2002 became operational on 15 December 2004 and as a result the Department is in the process of amending the procedure for the admission of mentally ill patients. The Department has developed a policy regarding the establishment of Mental Health Review Boards and established a single Review Board for the Province. Contracts of the members were signed on 3 May 2005.

Facility Boards have been created at all Provincial hospitals as required by the Western Cape Health Facility Boards Act 7 of 2001.

1.4 Progress

Some significant progress was made. Detailed reporting is given in the sections covering the respective programmes.

With regard to *Programme 1* (Administration), the various support services have been aligned to support the objectives of Healthcare 2010. For purposes of the human resources plan, new generic staff establishments have been developed in the District and Regional Hospitals. A staff performance management system has been implemented throughout the Department. Financial Management has been bolstered with the improved monitoring of spending and improved business intelligence, and funding has been enhanced by better-than-expected revenue generation. The tendering and procurement process has been refined with the implementation of service level agreements between the Department and suppliers. The Hospital Information System (HIS), initiated at the Central Hospitals, is running well. Communication with staff and other stakeholders has improved significantly, although much work still needs to be done in this regard. The Head of Department, supported by the heads of Communication, Human Resources and the relevant region, held face-to-face communication sessions (staff indabas) in all the regions across the province. The intelligence gathered from these visits led to the resolution of issues and also resulted in several improvements to the working environment of staff.

In respect of *Programme 2* (District Health Services), the Department has implemented District Health Plans, which have facilitated integrated planning between the Provincial Department and Local Government. The decision was taken also to provincialise the running of the District Health System which would improve efficiency of primary health care services.

Following the National and Provincial elections in May 2004 the newly installed Cabinet embarked on a drive to improve service delivery to communities in the short term and this was embodied in the '100-day deposits' and further in a set of April 2005 deliverables. The Department's initial response revolved around strengthening the management structures at Primary Health Care facilities, adequate and timeous availability of medicines for patients with chronic conditions, improving the flow of patients in facilities and providing anti-retroviral therapy for 6,000 patients with HIV. All of the targets were achieved.

The decision was taken to proceed with the provincialisation of the non-Metro Personal Primary Health Care services previously provided by Local Government following the provision of additional funding for this purpose by the National Treasury.

Quality of Care was monitored at provincial health facilities by means of the complaints and compliments mechanism. Waiting time surveys were conducted at all major community health centres in the Metro.

The comprehensive programme for the care, management and treatment of people living with HIV and AIDS (and the anti-retroviral therapy programme in particular) was appreciably strengthened through the Global Fund. Funding amounting to R29 million was received from this Fund, which significantly increased the allocation for combating the AIDS epidemic. The Province also introduced the dual therapy Prevention from Mother to Child Transmission regimen across the Province in May 2004. Substantive progress has been made in combating HIV/AIDS through the introduction of the anti-retroviral programme to supplement the PMTCT programme.

During 2004 there were three outbreaks of measles affecting the Hout Bay (27 cases), Fish Hoek (7 cases) and Claremont (3 cases) areas respectively. The outbreaks were quickly contained and immunisation coverage was improved.

Under *Programme 3* (Emergency Medical Services (EMS)) one-person ambulances in rural areas were eliminated. There has also been significant rejuvenation of the ambulance fleet through the acquisition of new vehicles. This has boosted morale amongst EMS personnel and has enhanced the comfort levels and reliability of the ambulances. With regard to communications systems, the centre in the Metropole was computerised and is already achieving improved monitoring of response times and vehicle movement. The provincialisation of EMS in the City of Cape Town proceeded although not to finality during the year.

A well-known constraint as regards *Programme 4* (Provincial Hospital Services) is that the disease profile in the Western Cape for infectious diseases, chronic diseases related to lifestyle, and mental illness, impacts markedly on service delivery. Moreover, Trauma and Emergency attendance in the Western Cape showed an upward trend, with head counts increasing by 7.8% between April 2000 and October 2002. In the Metropole Region, a 10% increase in patient load was experienced over the five years from 1998 to 2003. The level of acuity of trauma cases has also risen sharply, resulting in an escalation in the cost of acute care of trauma cases as well as specialised rehabilitation services. The increased need for emergency trauma surgery has also caused the waiting time for elective surgery to increase. An increase in the medical, non-trauma emergencies was also experienced across these services.

Programme 5 (Central Hospital Services)

Central Hospital Services Programme is to render highly specialised services to the inhabitants of the Western Cape as well as for the provinces for which the Western Cape is committed to render these services. The programme provides, in addition, a high quality teaching platform at both under- and postgraduate level.

The Central Hospitals remain beset by a multitude of diverse challenges. Restructuring and consolidation of the tertiary platform remains a key challenge. The major constraints facing the Department are the ongoing failure to resolve the issue of the Joint Agreements with the Universities, limitations to the National Tertiary Services Grant and an increased burden of disease.

Key service pressures relate to the absolute shortage of Intensive Care beds and the extreme shortage of nurses described elsewhere.

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

Safety at all health facilities remains a problem and the invasion of facilities by gangs and other criminal elements resulted in the tragic deaths of a nursing assistant and a prison warder at the Khayelitsha Day Hospital and Groote Schuur Hospitals respectively. The Department has taken significant steps to improve security.

During 2004 the Department established a joint Workgroup with the Universities and clinicians to align tertiary services with the available financial resources within the framework of Healthcare 2010.

Under *Programme 6* (Health Care Support Services), the Laundry services continue to be rendered at previous levels but is constrained by ageing equipment at many facilities.

Engineering services are also struggling to maintain obsolete equipment and a large maintenance backlog exists.

Three Hospital Revitalisation projects, namely George, Worcester and Vredenburg Hospitals, are progressing well. These hospitals will be state-of-the art hospitals. The Revitalisation project at Paarl Hospital should commence during 2005.

Conradie Hospital was closed finally after relocating the functions to the newly constructed Western Cape Rehabilitation Centre.

Nelspoort Hospital has been downscaled but a section of the hospital that is still in use is being renovated.

In *Programme 7* (Health Sciences and Training) the principal intervention has centred on nurse training performed at the Western Cape College of Nursing (WCCN), as well the training of Emergency personnel. Bursaries have been provided to students training as nurses both at the WCCN and the University of the Western Cape (UWC).

The Department reached an agreement with the UWC that they would train the maximum number of nurses possible. This is of pivotal importance for the Department to meet its nursing-personnel requirements in terms of Healthcare 2010.

In the 2003/04 financial year a programme to replace defective and obsolete equipment was started and this has progressed well with much obsolete equipment being replaced. A highlight was the installation of new state of the art CT scanners at Tygerberg and Groote Schuur Hospitals. The programme has been assisted by contributions from the Hospital Revitalisation Project as well as donations (Red Cross Children's Hospital).

1.5 Health Ministry

Minister Pierre Uys gave strong participative leadership and management support. He was constructively critical in his appraisal of key management decisions, and he was helpful in getting political support for decisions once he had ratified them. The Minister also interacted widely and actively with staff and community leaders.

The Minister and the Head of Department attended a number of Imbizos throughout the Province with the Provincial Cabinet. At the imbizos government engaged with communities and community leaders to listen to complaints about service delivery and identity needs. A total of 12 imbizos were organised during 2004/05.

1.6 Vision, Mission and Core Values

The Department remains committed to its vision of providing better care to the people so that they experience better health all day, every day. The vision of Healthcare 2010 – “Equal access to quality care” – has become increasingly significant, and consideration is being given to making this the vision statement for the Department as a whole. This vision statement is more consistent with the Departments central goals, namely: accessibility; appropriateness; affordability; equity; effectiveness; and efficiency.

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

During the period under review, the Department stuck to its core values while trying to realise its vision and mission. These values – integrity; openness and transparency; honesty; respect for people; and commitment to providing high-quality services within our means – became especially important during the difficult periods that health staff across all job categories experienced during the past year.

1.7 Legislative Mandate

A. Provincial Legislation

1. Honorary Medical Staff of Provincial Hospitals Regulations. Published under Provincial Notice 553 of 1953,
2. Requirements from regional Stores, and Control and Condemning of Provincial Hospitals Stores and Equipment Regulations. Published under PN 761 of 1953,
3. Payment of Transport allowances to members of hospital boards attending meetings of such boards Regulations published under PN of 1956,
4. Election, Powers and Functions of Medical Committees Regulations. Published under PN 307 of 1960,
5. Exhumation Ordinance 12 of 1980,
6. Communicable Diseases and Notification of Notifiable Medical Condition Regulations. Published in Proclamation R158 of 1987,
7. Health Act 63 of 1977, Assigned to the province by virtue of Proclamation R152 of 1994,
8. Hospitals Ordinance 18 of 1946. Assigned to the Province under Proclamation 115 of 1994,
9. Ambulance Personnel Transfer and Pensions Ordinance 11 of 1955. Assigned to the Province under Proclamation 115 of 1994,
10. Hospitals Amendment Ordinance 15 of 1955. Assigned to the Province under Proclamation 115 of 1994,
11. Hospitals Amendment Ordinance 3 of 1956. Assigned to this Province under Proclamation 115 of 1994,

12. Training of Nurses and Midwives Ordinance 4 of 1984. Assigned to the Province under Proclamation 115 of 1994,
13. Regulations Governing Private Health Establishments, published in PN 187 of 2001,
14. Western Cape Health Facility Boards Act 7 of 2001 and its Regulations, and
15. Provincial Treasury Instructions.

B. National Legislation

1. Human Tissue Act 65 of 1953,
2. Sexual Offences Act 23 of 1957,
3. Inquests Act 58 of 1959,
4. Medicines and Related Substances Control Act 101 of 1965. (Regulations thereto as well),
5. Foodstuffs, Cosmetics and Disinfectants Act 54 of 1972,
6. Hazardous Substances Act 15 of 1973,
7. Mental Health Act 18 of 1973,
8. International Health Regulations Act 28 of 1974,
9. Pharmacy Act 53 of 1974,
10. Health Donations Fund Act 11 of 1978,
11. Medical, Dental and Supplementary Health Service Professions Act 56 of 1974,
12. Nursing Act 50 of 1978,
13. Allied Health Professions Act 63 of 1982,
14. Sterilisation Act 44 of 1988,
15. National Policy for Health Act 116 of 1990,
16. South African Medical Research Council Act 58 of 1991,
17. Births and Deaths Registration Act 51 of 1992,
18. Tobacco Products Control Act 83 of 1993 (including regulations),
19. Occupation Health and Safety Act 85 of 1993,
20. Academic Health Centres Act 86 of 1993,
21. Public Service Act, 1994,
22. Labour Relations Act 66 of 1995,
23. Choice on Termination of Pregnancy Act 92 of 1996,
24. Constitution of South Africa 108 of 1996,
25. SA medicines Control Amendment Act 90 of 1997,
26. Employment Equity Act 55 of 1998,
27. Correctional Services Act 111 of 1998,
28. Medical Schemes Act 131 of 1998,
29. Public Finance Management Act 1 of 1999,
30. Tobacco Products Control Amendment Act 12 of 1999,
31. National Health Laboratory Services act 37 of 2000,
32. Promotion of Equality and Prevention of Unfair Discrimination Act 4 of 2000,
33. Promotion of Access to Information Act 2 of 2000,
34. Council for Medical Schemes Levies Act 58 of 2000,
35. Medical Schemes Amendment Act 55 of 2001,
36. The Western Cape Health Facility Boards Act of 7 of 2001,
37. Births and Deaths Registration Amendment Act 1 of 2002,
38. The Mental Health Care Act of 2002,
39. The National Health Act no.61 of 2003.

Trading Accounts

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

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

PART 2: PROGRAMME PERFORMANCE

This section presents an in-depth analysis of the performance of budget programmes and sub-programmes, against service delivery targets.

Specific tables are included below to facilitate reporting in the recommended format for each budget programme.

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

Table 1: Expenditure by budget sub-programme

Programme	2002/03 Exp R'000	2003/04 Exp R'000	2004/05 Exp R'000	2004/05 Budget R'000	Variance -% under/ (over-) expenditure
Programme 1: Administration	121,273	215,645	213,316	217,519	1.93
Programme 2: District Health Services	993,592	1,144,698	1,330,397	1,318,782	(0.88)
District management	21,636	32,956	26,983	23,063	(17.00)
Clinics	204,653	264,878	265,076	269,034	1.47
Community health centres	362,374	384,819	441,885	438,796	(0.70)
District hospitals	293,089	333,717	376,649	369,708	(1.88)
Community based services	39,644	33,443	36,554	32,729	(11.69)
Other community services	37,140	43,527	47,459	49,530	4.18
Coroner services	0	304	843	988	14.68
HIV/AIDS	19,678	38,146	94,394	90,119	(4.74)
Nutrition	15,378	12,908	15,442	16,511	6.47
Global fund	0	0	25,112	28,304	11.28
Programme 3: Emergency Medical Services	152,910	185,695	198,170	199,241	0.54
Emergency transport	152,910	184,441	198,170	199,240	0.54
Planned patient transport	0	1,254	0	1	100.00
Programme 4: Provincial Hospital Services	974,273	1,053,048	1,176,641	1,177,500	0.07
General hospitals (regional)	613,307	665,389	750,742	750,899	0.02
TB hospitals	51,154	54,269	62,049	62,221	0.28
Psychiatric hospitals	225,209	232,790	256,210	258,152	0.75
Sub-acute, stepdown and chronic hospitals	42,078	53,228	55,265	54,646	(1.13)
Dental training hospitals	42,525	47,372	52,375	51,582	(1.54)
Other specialised	0	0	0	0	
Programme 5: Central Hospital Services	1,476,202	1,607,089	1,805,918	1,806,119	0.01
Central hospitals	1,476,202	1,607,089	1,805,918	1,806,119	0.01
Provincial tertiary hospitals	0	0	0	0	
Programme 6: Health Sciences and Training	65,381	71,116	73,541	74,918	1.84
Nurse training colleges	55,683	48,826	40,250	41,349	2.66
EMS training colleges	1,802	2,591	2,749	2,978	7.69
Bursaries	6,456	17,017	27,519	27,561	0.15
PHC training	0	0	0	1	100.00
Other training	1,440	2,682	3,023	3,029	0.20

Programme	2002/03 Exp R'000	2003/04 Exp R'000	2004/05 Exp R'000	2004/05 Budget R'000	Variance -% under/ (over-) expenditure
Programme 7: Health Care Support Services	66,597	73,837	82,752	84,264	1.79
Laundries	32,434	33,156	37,631	37,297	(0.90)
Engineering	19,118	25,621	27,243	28,310	3.77
Forensic services	4,946	5,466	6,445	6,541	1.47
Orthotic and prosthetic services	7,707	7,594	7,330	8,013	8.52
Medicines trading account	2,392	2,000	4,103	4,103	0.00
Programme 8: Health Facilities Management					
Community health facilities					
EMS					
District hospitals					
Provincial hospitals					
Central hospitals					
Other facilities					
Total: Programmes	3,850,228	4,351,128	4,880,735	4,878,343	(0.05)

Table 2: Evolution of expenditure by budget per capita sub-programme (constant 2004/05 prices)

	2002/03	2003/04	2004/05
Population	4,594,191	4,665,572	4,738,067
% insured	28	28	28
Uninsured population	3,307,818	3,359,212	3,411,408
Conversion to constant 2004/05 prices	1.16	1.05	1.00
Programme	Exp per capita Uninsured ¹ R'000	Exp per capita Uninsured ¹ R'000	Exp per capita Uninsured ¹ R'000
Programme 1: Administration	43	67	63
Programme 2: District Health Services	348	358	390
Programme 3: Emergency Medical Services	54	58	58
Programme 4: Provincial Hospital Services	342	329	345
Programme 5: Central Hospital Services	518	502	529
Programme 6: Health Sciences and Training	23	22	22
Programme 7: Health Care Support Services	23	23	24
Programme 8: Health Facilities Management	0	0	0
Total: Programmes	1,350	1,360	1,431

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

PROGRAMME 1: ADMINISTRATION

AIM

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

ANALYSIS PER SUB-PROGRAMME

Sub-programme 1.1: Office of the MEC

Rendering of advisory, secretarial and office support services.

Sub-programme 1.2: Management

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

ANALYTICAL REVIEW OF PROGRAMME PERFORMANCE

Progress in the development of new staff establishments in the District Health System has been made.

Communication service has fully implemented the departmental branding.

A Revenue Generation Policy has been developed and fully implemented.

A component to manage and administer the Promotion of Access to Information Act, 2000 has been established.

Significant progress has been made to the setting of quality assurance committees across the Department to ensure effective coordination of quality of care initiatives.

The Supply Chain Management function has been delegated to the Accounting Officer as from 1 Jan 2004 and the Department has made significant strides to have a fully functional component.

The Department has successfully compiled the financial statements.

PERFORMANCE AGAINST TARGETS FROM 2004/05 STRATEGIC PLAN

Table 3: Performance against targets from 2004/05 strategic plan for the administration programme

Sub-programme	Objectives (Outputs)	Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2004/05 Strat Plan Target
Office of the Provincial Minister	Effective functioning of the Minister's office	% satisfactory interface with public and intervention in Provincial Legislative and decision-making processes.			90%	

Sub-programme	Objectives (Outputs)	Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2004/05 Strat Plan Target
Management	Chief Directorate: Professional Support Services and Administration					
	POLICY AND PLANNING					
	Develop and document provincial health policy and draft legislation.	Requisite legislation and policies identified and drafted.	Uniform Patient Fee Regulations & Amendment 2003. Amendment: Private health establishment regulation (R187). Draft amendment to Hospitals Ordinance, 1946. Draft regulations: Western Cape Health Facilities Boards Act, 2001	90%	Previous Uniform Patient Fees Schedules repealed and replaced with new regulations; The 4th version of the amendment to the Hospitals Ordinance was drafted.	100%
	Provision of Legal Administration support to prevent litigation and where unavoidable to ensure that the Department is appropriately defended.	Total number of litigation cases.	12	15	16	Reduced litigation
		Number of litigation cases successfully defended.	3, the remaining 9 cases are still pending	All cases pending	4 cases successfully defended. Remaining cases pending.	70%
	Effective health service planning to ensure that plans are developed to ensure that health services are equitable, accessible, affordable and provide quality care.	A widely acceptable and realistic strategic plan that is based on the principles of Healthcare 2010.	Development of Healthcare 2010	Healthcare 2010 approved by Cabinet and Strategic Plan in place.	Generic staffing models developed and applied to hospitals in Southern Cape; PHC staffing model developed for Metro;	Facilitate the implementation of Healthcare 2010 via the Strategic plan.

Sub-programme	Objectives (Outputs)	Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2004/05 Strat Plan Target
					Technical assistance to the Clinical Task Team regarding allocation of clinical specialists	
INFORMATION MANAGEMENT						
	Provide health service and health status information to evaluate and monitor the effectiveness and efficiency of the services rendered by the department.	% of prescribed information collected, collated, published and disseminated.	80%	85%	85%	90%
	Provide necessary information technology, in accordance with Departmental and Provincial policy.	% of applications for information technology realised.	95%	95%	95%	95%
	Implement the necessary Health Information System (HIS) in all hospitals of the department, as contracted.	% of hospitals where the HIS has been implemented.	0%	10%	15%	15%
	Manage and administer the Promotion of Access to Information Act, 2000.	% of requests for information addressed.	Component not established	Component not established	Component established	80%
MEDICO-LEGAL ADVISORY SERVICES						
	Containment of financial losses resulting from the defence or settlement of claims resulting from personal injury and public liability claims.	Annual settlement costs.	R3,646,834	R600,00	R280,122	R1,500,000

Sub-programme	Objectives (Outputs)	Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2004/05 Strat Plan Target
	Containment of negative publicity arising from medico-legal queries.	Average number of medico-legal queries.	600	600	540	650
	PHARMACY					
	Ensure that essential and quality drugs are available and dispensed as required.	% of indicator drugs immediately available and dispensed to patients.	Not known	85%	91%	90%
		% of facilities with operational Drugs and Therapeutics Committees.	Not known	Established at regional level	100%	90%
	Ensure good pharmacy practice and efficient pharmaceutical care to patients.	% of pharmacist's posts filled.	Not known	70%	71%	80%
		% of pharmacist's assistants trained / in training.	Not known	30%	72%	50%
		% increase in number of Pharmacy support personnel.	Not known	10%	10%	10%
	QUALITY ASSURANCE					
	Ensure the effective co-ordination of quality of care improvements initiatives at facility and regional level.	% regional offices and facilities with quality assurance committees.	0	10%	73%	100%
		% regional offices and facilities with quality improvement plans.	20%	50%	79%	100%

Sub-programme	Objectives (Outputs)	Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2004/05 Strat Plan Target
		% regional offices that submit 6 monthly reports	0%	0%	98%	100%
	To systematically evaluate the quality of service delivery .	% facilities that conducted an external client satisfaction survey , published the results and developed action plans for improvement:				
		Tertiary facilities	0%	100%	100%	100%
		Secondary facilities	Eben Donges Hospital	George, Eben Donges, Psychiatric Hospitals x 4	50%	100%
		District facilities	0%	Mossel Bay	18%	40%
		Clinics	0%	0%	30%	30%
		% facilities that submit quarterly returns on the number of client complaints & compliments.	0%	75%	97%	100%
		Development of a set of standards against which to measure performance.	0	0	Standards set for nursing. Occupational Therapy , Exchange, OPD Paediatrics and Reception	Develop 5 standards for each component
		All facilities to conduct monthly morbidity and mortality reviews which utilise a multi-disciplinary approach.	5%	15%	72% conduct MM however 10% submit	70%

Sub-programme	Objectives (Outputs)	Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2004/05 Strat Plan Target
	Reduce client waiting times	The average time spent per clinic attendance. The average waiting time at each point of contact.	Not known	Not known	Target met	Conduct a survey at 1 tertiary, 1 regional and 2 district hospitals and 5 clinics. Benchmark an acceptable waiting time
ENGINEERING						
	Health facilities are maintained, safe, presentable, efficient and fit for purpose.	Maintenance backlog as a % of replacement value.	10%	9%	8%	8%
	Manage Hospital Revitalisation Programme to facilitate the revitalisation of buildings, equipment and management systems.	HRP projects under construction	George Hospital	George, Worcester, Vredenburg Hospitals commenced		George, Worcester & Vredenburg Hospitals. Complete George Hosp.
		Business cases submitted to National Department of Health		Paarl, Khayelitsha Mitchells Plain & South Peninsula		Hottentot's Holland & Tygerberg Hospitals
		Business cases approved by National Department of Health	Worcester Hospital	Approval awaited		3
	Effective management of laundry services.	Volume of linen processed in-house	14,4 m	17 m	14m	15m
		Cost per piece of linen processed in-house.	R1.50	R1.68	R1.81	R1.50
		Volume of linen processed outsourced.	7,6 m	5 m	4m	6m
		Cost per piece of linen processed outsourced.	R1.10	R1.15	R1.30	R1.33

Sub-programme	Objectives (Outputs)	Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2004/05 Strat Plan Target
	Chief Directorate: Human Resource Management					
	HUMAN RESOURCE MANAGEMENT					
	Ensure the effective management of human resource management policies and practices.	Develop and implement policies and practices and audit the application of the policies and practices.	Not reported	Developed policies as determined by legislation and collective agreements Execute audits.	Target met	Develop policies as determined by legislation and collective agreements. Execute audits
	The development and maintenance of an effective organisational structure for the Department.	Restructuring of departmental establishment to facilitate the achievement of Healthcare 2010.	Not reported	Develop Generic Models to be applied during the re-structuring of the Department as a whole	Most of the ground work completed. However, this process will commence on approval of the service plan	Restructure organisational structure and staff establishment of the Dept. in terms of Healthcare 2010.
		Update PERSAL accordingly.	Not reported	100%	80%	100%
	Provide an efficient personnel administration service to employees.	The execution of all personnel procedures w.r.t. recruitment, selection, appointments, conditions of service and the assessment of staff should be in terms of approved departmental standards.	Not recorded	Execute all applicable policies and practices	Target met	Execute all applicable policies and practices.
	LABOUR RELATIONS					
	Ensure labour peace by providing and maintaining effective collective bargaining structures.	Incidents of labour unrest.	0	0	There was no labour unrest during this period	0

Sub-programme	Objectives (Outputs)	Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2004/05 Strat Plan Target
	Training of employees in labour relations issues, including practical training for supervisors in disciplinary matters, IMLC training, basic labour relations training for Xhosa speaking staff.	Number of employees trained	0	0.5%	Target met	2%
Finance						
BUDGET ADMINISTRATION						
	Monitoring of Departmental expenditure.	Timeous monthly report indicating under- and over-spending and under and over recovery of revenue.	Complied	Complied	100% compliance	Compliance
	Create an enabling environment for the generation of hospital fees.	Increased revenue on budget.			Target met and extended	2%
MANAGEMENT ACCOUNTING						
	Produce financial statements.	Financial statements in accordance with National Treasury prescripts.	Financial statements produced	Financial statements produced	Financial statements produced	Financial statements to be produced by 31 May 2005
	Creation of a sound internal control function.	Number of reports generated per annum.	50% of all institutions	50% of all institutions	Indicator amended due to a provincial Risk Assessment process.	60% of all institutions
SUPPLY CHAIN MANAGEMENT						
	To minimize procurement related cost.	Decrease in expenditure of items procured.	Not applicable	Not applicable	Target met	2% reduction in actual contract prices.
	To improve the level of asset management in the department.	Credible asset registers.		30%	30%	50%
		Level of control & management of registers.		30%	30%	50%

Sub-programme	Objectives (Outputs)	Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2004/05 Strat Plan Target
	BUSINESS MANAGER					
	Provide quality services at an affordable price which provides value for money to the Department with appropriate risk transfer.	Number of identified PPP's	Potential PPP's identified: 5	Investigation and evaluation of projects	5 Registered 4 in progress	Implement proposed PPP's
	Implement Managed Care to provide optimal care at reduced cost and increased revenue.	Policy, protocols, procedures, UPFS and improved billing.	10 case managers recruited in hospitals. Protocols and procedures implemented. 2 UPFS trainers appointed for improved billing.	7 more case managers appointed. Protocol on transfer between private and public sector implemented.		Additional case managers recruited per contractual agreements. Renew UPFS trainers contract for 3 years.
	Provision of effective contract management.	Number of newly drafted contracts.	12 new agreements 7 agreements edited	Draft, edit and monitor contracts.		Draft, edit and monitor contracts
		Revision of Joint Agreements with the Universities.	Comparative analysis completed	Draft, negotiate and conclude Joint Agreements	Matter is being handled by the Office of the Premier for further negotiation on principle issues	Implement new Agreement.
	Monitor and evaluate revenue generation projects and ensure compliance with revenue generation policy.	Development and implementation of effective revenue generation policy to improve revenue generation and collection.	Need for policy identified by Top Management	Policy completed and accepted by Department	Policy developed and implemented	Implement policy.

Sub-programme	Objectives (Outputs)	Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2004/05 Strat Plan Target
	Inspection of private health care institutions.	Number of inspections of private hospitals, including annual follow-up and pre-and random inspections.	160	256	Target met	430
	Provision of licenses to private health care establishments.	Number of applications adjudicated in terms of legislation, norms, merit and need.	16 applications approved, 5 applications declined	20 applications approved, 12 applications declined	Target met	80 applications to be adjudicated
	Support the creation of a network of differentiated amenities within provincial hospitals.	Number of Preferred Provider Agreements (PPA's) and differentiated beds in place.	PPA's x 2; 200 beds	PPA's x 2; 200 beds		Not yet determined
Communications						
COMMUNICATIONS						
	Establish branding and visibility of the Western Cape Health Department.	Percentage of corporate items designed.	Not applicable	80% of items designed	Target met	100% of items designed
	Maintain adequate communication with all stakeholders.	Number of publications per year.	Not applicable	> 22	Target met	22
	Assist with awareness campaigns and promotions for Programmes and other Health directorates.	Number of communications plans implemented and communicated in at least 2 of the mass media.			45 plans and successfully implemented	

PROGRAMME 2: District Health Services

AIM

To render Primary Health Care Services and District Hospital Services.

ANALYSIS PER SUB-PROGRAMME

Sub-programme 2.1: District management

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

Sub-programme 2.2: Community health clinics

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

Sub-programme 2.3: Community health centres

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

Sub-programme 2.4: Community based services

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

Sub-programme 2.5: Other community services

Rendering environmental, port health and part-time district surgeon services, etc.

Sub-programme 2.6: HIV/AIDS

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

Sub-programme 2.7: Nutrition

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

Sub-programme 2.8: Coroner services

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

Sub-programme 2.9: District hospitals

Rendering of a hospital service at district level.

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

ANALYTICAL REVIEW OF PROGRAMME PERFORMANCE

In this report the activities of the programme will be reflected upon in relation to the eight divisional priorities, which were formulated subsequent to the writing of the departmental strategic plan for 2004/05. These priorities have, however, been derived from Healthcare 2010 and are hence integrally linked to the objectives of the Department as a whole.

The divisional priorities encompass two broad areas of work:

1. The procedural and technical goals which either drive or retard progress with the implementation of the district health system. It is this system which is seen as the key to unlocking efficient and effective service delivery at the interface with the patients. By creating the appropriate infrastructure, eliminating duplication and inefficiency and creating the environment for staff to perform coherently it is anticipated that many of the problems can be corrected. Three additional vital support initiatives have been identified. These are, the strengthening of community based services, improvement of the district hospital platform and improved management of chronic diseases.
2. The second group of goals relate to priority health programmes deemed critical to improve the overall health of the people of the Western Cape. These programme priorities were selected with the view of serving as the key entry points into improving the overall health status of the communities of the Western Cape, within the context of overall burden of disease in the Province. The priority health programmes are the Tuberculosis and HIV and AIDS programmes, Women's health, Child health and Chronic Diseases.

Implementing the District Health System and the divisional priorities

The provincialisation of personal primary health care is seen as the next step in the implementation of the District Health System. This process was set in motion in November 2003 when it became evident that the implementation of a District Health System, managed by local authorities, was proving untenable. The Department and its partners in local government had already failed at two large-scale initiatives, the first being the Bi-ministerial Task Team initiative in 1999 and the attempted transfer of services to the City of Cape Town in 2001. On both occasions the process failed to progress on the key labour relations questions of staff transfers, retention of benefits and transfers of pension benefits. The legislative framework created by the Municipal Structures Act and the newly legislated Municipal Finance Management Act proved an obstruction.

Following the Cabinet resolution to proceed with provincialisation of a number of services being rendered by local authorities, on behalf of the Province, a number of technical issues had to be resolved, in particular those relating to finance. Concerns around the issue of subsidiarity were raised by certain local authorities and SALGA, but in a legal opinion obtained by the Department these were deemed to be unfounded. This process commenced on 1 April 2005, when the Department of Health assumed full responsibility for the funding of personal PHC, following agreement between the Provincial MEC for Health and the SALGA political leadership.

The genesis of the other divisional goals can be traced back to Healthcare 2010 as stated. The optimal functioning of District Hospitals is a key element of the HC 2010 strategy. The anticipated diversions from secondary level hospitals to District Hospitals have to occur in order for the overload at Central Hospitals to be absorbed and managed at the most appropriate level. This has tremendous implications for the reductions in cost envisaged in Healthcare 2010. The management of cases at the appropriate levels will alleviate pressure at the higher levels of care, freeing up specialists to focus on technically demanding and complex interventions. Two key indicators identified for this purpose include the number of theatre cases undertaken at District Hospitals, as well as the admissions and bed occupancy which has to rise.

Another core theme of Healthcare 2010 is the expansion and improvement of the community based network of services. The Department has chosen to focus on Community Based Home-based Care at the outset. Complemented by respite centres, group homes, frail care centres and step down facilities the home based services will form a network of inter-linked services in each community for the management of patients who require ongoing care and support, but do not necessarily require hospitalisation. These services will function in close cooperation with the clinics, community health centres and District Hospitals to provide a “seamless” network of Primary Health Services. Funding from the European Union and the Global Fund is being utilised to initiate these programs.

Large numbers of patients present for management of chronic illnesses at Departmental facilities every day. It has been estimated that 12% of people represent 50% of attendees at PHC facilities. They present with one of only eight conditions (namely hypertension, diabetes mellitus, ischaemic heart disease follow-up, arthritis, chronic psychiatric illnesses, bronchitis, chronic obstructive airways disease (COAD), HIV and AIDS and Tuberculosis). The medication dispensed to this group represents 80% of all issues at the pharmacies at these facilities.

It is these figures which prompted a rethink around the service design at primary health facilities. The staffing model, which is in the process of being developed under the rubric of the HC 2010 service plan, will reflect these changes and will incorporate new ways of dealing with patients with chronic complaints. This will mainly involve the allocation of patients to a specific “family practice firm” within each Community Health Centre.

The programme priorities are reflective of the current public health concerns at both national level, such as HIV, cervical carcinoma in women, infectious diseases in children, as well as those which are more specific to the Province, like Tuberculosis. The annual antenatal HIV prevalence survey shows a steady increase in the Western Cape (13.1% in 2003), with prevalence rates as high as 28% in some sub-districts in the Province. The TB incidence in the Western Cape has increase from 689/100,000 in 1997 to 932/100,000 in 2003 (TB incidence for South Africa in 2003 was 550/100,000). The Infant Mortality Rate in the Western Cape was 31/1,000 live births in 2002 (compared to 56/1,000 in South Africa), but as high as 44/1,000 live births in some sub-districts.

The Comprehensive HIV and AIDS Care, Management and Treatment plan was adopted by the National Cabinet in November 2003. The initial implementation of the plan was successfully done in the Western Cape during the 2004/05 financial year. The Department has committed itself to integrating the HIV and AIDS programme into the general health services in such a way that the additional resources leads to a strengthening of the general health system, rather than creating a vertical HIV and AIDS service delivery model. The Department has also committed itself to improving on its HIV prevention strategy. A key challenge to the Department is dealing with the growing TB epidemic in light of the increasing rate of co-infection of clients with TB and HIV. The Department has committed itself to provincialise the four TB hospitals not under Provincial Health Department management during the next financial year. The EPI and the cervical screening programmes have been prioritised as entry points for improvements in Child and Women’s Health services.

The *Ikapa elihlumayo* framework defines the Social Capital Formation Strategy (SCFS) as one of the lead strategies (Ikapa elihlumayo, 2003). In the Western Cape the Departments of Health, Education, Community Safety, Cultural Affairs and Sport, Social Sciences and Poverty Alleviation, and Local Government and Housing are grouped together in the Social Sector Cluster with the latter Department filling the role of lead Department in the strategy: Social Capital Formation. The new Health Act 61 (of 2003) gives primacy to the development of a health system built on the Primary Health Care approach. It enunciates twelve principles upon which the primary health care approach is anchored, namely equity, access, quality, overcoming fragmentation, comprehensive services, effectiveness, efficiency, local accountability, community participation, developmental and intersectoral approach and sustainability. These core precepts of PHC delivery can easily be identified with many of the main tenets of *Ikapa elihlumayo*, the Provincial Government’s formulation of developmental governance. It is therefore worth re-stating that by emphasizing the PHC approach in Healthcare 2010, the Department of Health is *de facto* committing itself to *Ikapa elihlumayo* and by extension to a social capital formation strategy.

Performance around Divisional Priorities (2004/05)

1. Community Health Centres and Clinics

The first step in the process of strengthening the functions of the large facilities (which form the backbone of the Primary Health care network), has been the appointment of facility managers at the fifteen largest community health centres in Cape Town. These appointments were made as part of the Provincial Government's 100-day deposits towards improving service delivery in the Province. The second step that was undertaken, was the filling of doctors', nurses' and pharmacists' posts at these facilities as a matter of urgency. This was done in order to improve service delivery at the interface with the community. By strengthening the service delivery mechanism, attempts were made to improve not only the technical quality of service delivery, but also to improve the level of interaction with the patients. A shortage of management information was also identified as a key area to be addressed in the short-term. Twelve of the above-mentioned facilities have therefore been linked directly to the Provincial Server through a local area network (LAN) and the cabling of the remaining three large CHC's will be expedited in the next financial year. In addition three of the largest community health centres in the rural regions (Thembaletu, TC New man and Worcester) have also been linked to the network in the past year. In addition to the networking, substantial resources have been placed into upgrading the computer systems at these facilities.

2. District Hospitals

Attendances at District Hospitals have increased but not to the extent required by Healthcare 2010. A bed occupancy rate of 68% has been achieved in District Hospitals, and this is marginally short of the 70% target set in the previous Annual Performance Plan. The number of admissions rose to 135,000 compared to the 141,000 target. The number of theatre cases has also risen to just below 20,000 which was the target set.

3. Chronic Care

One of the key shortcomings with regard to the provision of medicines has been the interruption in supplies brought about by the centralisation of medicines distribution. Whilst the advantages of a centralised system have been well documented (elimination of waste and graft, reduced prices because of bulk orders, control of dispensing), the system has proven unwieldy and unresponsive at times. This has led to delays and the need to provide patients with "to come again" notes. During the past year an alternative dispensing mechanism has been put in place in each of the four Regions and strenuous efforts were made to improve the functionality of the Cape Medical Depot.

4. Home Based Care

Approximately 4,000 patients have been seen during the past year. Coordinators have been appointed and NGO's employed in all Districts. The programme aims to manage approximately 8,000 people by the end of the 2005/06 financial year.

Approximately 200 additional step-down beds have been created in the Vredendal, Vredenburg, Elsie's River, Fish Hoek, Gugulethu and Lentegeur areas.

5. HIV and AIDS Programme

7,670 clients were on daily antiretroviral treatment at 33 accredited ARV treatment sites by March 2005 (the target was 6,000 patients). 240,500 persons were counselled for HIV testing, representing 7.1% of the adult population over 15 years (the target was 6%).

6. TB Programme

The TB-epidemic is compounded by the HIV and AIDS pandemic. 44,502 TB cases were registered in the Western Cape during 2004. The cure rate for new smear positive cases registered during 2003 was 72%. The process of provincialisation of the TB Hospitals commenced during 2004/05.

7. Child Health

91.3% of children under one year were fully immunised. Only 2.6% of children under 5 years weighed were not gaining weight (compared to 4.3% in 2002/03).

8. Women's Health

The cervical cancer screening programme achieved 38.9% of the annual target. The institutional delivery rate for women under 18 years was 11.1%.

9. Social Capital Formation

As part of the provincial *iKapa elihlumayo* strategy the Department together with a panel of university experts developed a Social Capital Formation strategy, which is contained in a departmental policy document. This was accepted in principle by the Provincial Cabinet Lekgotla in February 2005. It will contribute to the whole provincial Social Capital Strategy being developed by the Provincial Social Sector.

REPORTING ON STANDARD NATIONAL INDICATORS

Table 4: District Health System

Indicator		2002/03 Actual	2003/04 Actual	2004/05 Actual	2004/05 Strat Plan Target
Input					
1. Uninsured population served per fixed public PHC facility	No	11,184	12,354	12,184	Max 10,000
2. Provincial DHS expenditure per person	R	152.64	173.52	165.60	
3. Provincial DHS expenditure per uninsured person	R	212	241	289	
4. LG DHS expenditure per person	R	31.68	38.88	38.88	
5. LG DHS expenditure per uninsured person	R	44	54	54	
6. Total DHS expenditure (provincial plus local government) per person	R	184.32	212.40	246	
7. Total DHS expenditure (provincial plus local government) per uninsured person	R	256	295	341	
8. Number of professional nurses in fixed public PHC facilities per 1,000 people	No	Not available	0.2904	0.2952	
9. Number of professional nurses in fixed public PHC facilities per 1,000 uninsured people	No	Not available	0.4034	0.41	
10. Percentage of fixed public PHC facilities offering the full package of PHC services	%	Not available	Not available	Not available	100%
11. Percentage of sub-districts offering the full package of PHC services	%	Not available	65	80	100%
12. Percentage of districts with a signed Service Level Agreement (SLA)	%	Not available	Not available	Not available	
13. Number of home-based carers appointed	No	Not available	501	722	

Indicator		2002/03 Actual	2003/04 Actual	2004/05 Actual	2004/05 Strat Plan Target
14. Percentage of districts with facilities to manage rape survivors and victims of sexual abuse	%	100	100	100	
Process					
15. Percentage of health districts with appointed manager	%	0	0	66.6	100%
16. Percentage of health districts with formal plan	%	50	83	100	100%
17. Percentage of fixed PHC facilities with functioning community participation structure	%	Not available	29	40	100%
18. Facility data timeliness rate	%	Not available	Not available	Not available	
Output					
19. PHC headcount	No	13,101,550	12,997,879	12,884,522	
20. Utilisation rate – PHC for total population (Headcount/ visits per person per year)	No	2.9	2.8	2.7	
21. Utilisation rate – PHC for uninsured population	No	4.0	3.9	3.8	3.5
22. Utilisation rate – PHC under 5 years	No	7.0	5.9	6.4	
Quality					
23. Percentage of fixed public PHC facilities in facility audit condition 4 or 5	%	Not available	Not available	45.9	
24. Percentage of public PHC facilities visited at least once per month by a supervisor who produces a written report	%	Not available	Not available	Not available	100%
25. Percentage of fixed public PHC facilities supported by a doctor at least once a week	%	Not available	Not available	Not available	100%
26. Proportion of health districts with a formal quality improvement plan	%	Not available	Not available	Not available	100%
27. Percentage of public PHC facilities without vaccines at any time of year	%	Not available	Not available	Not available	0%
28. Percentage complaints mechanism at primary health care facilities	%	Not available	Not available	Not available	
Efficiency					
29. Provincial expenditure per visit (headcount) at provincial PHC facilities	R	55	63	79	
30. Total expenditure (provincial plus local government) per visit at public PHC facilities	R	66	78	98	
Outcome					
31. Districts with a single health provider	%	0	0	0	
Service volumes					
32. Clinic headcounts	No	7,584,228	7,364,716	7,125,803	
33. CHC headcounts	No	4,998,620	5,122,015	5,249,319	
34. Mobile headcounts	No	518,702	511,148	509,400	

Table 5: HIV and AIDS, STIs and TB

Indicator		2002/03 Actual	2003/04 Actual	2004/05 Actual	2004/05 Strat Plan Target
Input					
1. Total dedicated expenditure on HIV and AIDS activities	R	27,594	38,142	94,382	100%
2. Percentage of public PHC facilities where condoms are freely available	%	100	100	100	100%
3. Percentage of provincial hospitals and fixed PHC facilities offering VCT	%	90	100	100	
4. Percentage of public sector antenatal facilities offering PMTCT programme	%	100	100	100	
5. Distribution of female condoms at provincial facilities	No	Not measured	Not measured	114,650	
6. Percentage of facilities of all types offering syndromic management of STIs	%	100	100	100	
7. Percentage of health districts using DOTS	%	Not available	Not available	100	100%
8. Percentage of TB/HIV health sub-districts	%	Not available	Not available	25	
9. Percentage of hospitals offering PEP for occupational HIV exposure	%	100	100	100	
10. Percentage of hospitals offering PEP for sexual abuse ²	%	100	100	100	
Process					
11. Percentage of TB cases with a DOT supporter ³	%	88	88	90	
12. HIV/AIDS plan formulated with stakeholders	%	100	100	100	
13. Percentage of TB cases reported on	%	Not measured	Not measured	Not measured	100%
14. Male condom distribution rate from public sector health facilities	Per k male ≥ 15 yrs	9.1	11.2	15.6	
15. Male condom distribution rate from primary distribution sites	Per k male ≥ 15 yrs	13.3	17.3	18.0	
16. Nevirapine stock out	%	Not measured	Not measured	Not measured	
Output					
17. Number of people trained in syndromic management of STIs	No	Not available	Not available	458	
18. Percentage of nurses in the public sector trained in STI management	%	Not available	Not available	Not available	

² There are 50 dedicated sites, 40 of which are hospitals (excluding specialised hospitals).

³ During 2004/05, 43.3% of DOTS were done at health facilities.

Indicator		2002/03 Actual	2003/04 Actual	2004/05 Actual	2004/05 Strat Plan Target
19. Smear positive PTB cases as percentage of all PTB cases ⁴	%	90	58	58	50 – 70%
20. New smear positive PTB cases as percentage of expected number of cases	%	Not measured	Not measured	Not measured	70%
21. STI partner treatment rate	%	18.0	26.4	20.9	
22. Nevirapine uptake rate among babies born to women with HIV	%	85	90	97	
23. VCT client pre-test counselling rate	%	5.0	5.9	7.1	
Quality					
24. Percentage of TB cases who are being re-treated	%	31	27	26	6 – 8%
25. Percentage of TB cases who interrupt treatment	%	15	12	Not due yet	< 10%
26. TB sputa specimens with turnaround time > 48 hours	%	32	30	26	
27. Percentage of smear results available within 24 hours at facility	%	Not measured	26	36	
28. Percentage of multi-drug resistant patients on standard regimes ⁵	%	Not measured	Not measured	Not measured	
Efficiency					
29. Percentage of dedicated HIV and AIDS budget spent	%	57.5	70.3	105	100%
Outcome					
30. Antenatal HIV sero-prevalence rate	%	12.4	13.1	Not available ⁶	
31. Syphilis prevalence rate at sentinel sites ⁷	%	Not measured	Not measured	Not measured	
32. PTB smear conversion rate at 2 months for new cases ⁸	%	Not available	56	44	> 85%
33. PTB smear conversion rate at 3 months for re-treated cases ⁸	%	Not available	67	52	> 80%
34. Percentage of new smear positive PTB cases cured at first attempt	%	68	72	Not due yet	> 85%
35. Percentage completion of TB treatment regime	%	75	79	Not due yet	
36. Percentage of TB cases that are MDR ⁵	%	Not measured	Not measured	Not measured	< 1%

⁴ A new system (called the Electronic TB Register) was implemented during 2002 to record TB patients. The calculations on this system differs significantly from the calculations performed on the manual collection system and therefore indicators calculated on the old and new TB systems differ significantly.

⁵ MDR information system inadequate

⁶ Awaiting official National announcement of 2004 results

⁷ The syndromic approach is used for all STIs and therefore syphilis will not be diagnosed except in pregnant women where a VDRL is done.

⁸ The Electronic TB Register has a very strict algorithm for calculating smear conversion rates – only 70 days are allowed for conversion at 2 months and 100 days for conversion at 3 months.

Indicator		2002/03 Actual	2003/04 Actual	2004/05 Actual	2004/05 Strat Plan Target
37. New MDR TB cases reported – annual % change ⁵	%	Not measured	Not measured	Not measured	
Service volumes					
38. STI case – new episode	No	111,317	71,846	104,362	
39. Patients registered for ART	No	Not applicable	2,339	7,670	

Notes regarding TB information:

1. The TB information was provided per calendar year and not per financial year.
2. The treatment outcome data for 2004 is not completed since this data is only due one year later.

Table 6: Maternal, Child and Women's Health

Indicator		2002/03 Actual	2003/04 Actual	2004/05 Actual	2004/05 Strat Plan Target
Input					
1. Percentage of hospitals offering TOP services ⁹	%	79	83	86	
2. Percentage of CHCs offering TOP services ¹⁰	%	33	33	66	
Process					
3. DPT-Hib vaccines out of stock	%	Not available	Not available	Not available	
4. AFP detection rate ¹¹	%	177	185	193	
5. AFP stool adequacy rate	%	78	92	96	
Output					
6. Schools at which phase 1 health services are being rendered	%	Not available	20	20	
7. Percentage of children under one year fully immunised	%	88.2	91.6	91.3	90%
8. Antenatal coverage	%	91.2	87.9	82.2	
9. Vitamin A coverage under 1 year ¹²	%	Not available	Not available	Not available	
10. Measles coverage under 1 year	%	84.9	78.1	91.7	
11. Cervical cancer screening coverage	%	43.6	40.3	38.9	

⁹ Out of 36 designated facilities. Exclude private hospitals offering a TOP service.

¹⁰ Out of 6 CHC designated to deliver a TOP service. During 2004 only 8% of the total number of CHCs in the Province rendered a TOP service.

¹¹ The target number of AFP cases that should be detected is 13 for the Province. The number of cases detected over the last 3 years is 23, 24 and 27 respectively.

¹² The Western Cape Province only provides Vitamin A supplementation to medically targeted children. A new protocol will be implemented on 1 April 2005 which subscribes blanket supplementation of Vitamin A.

Indicator		2002/03 Actual	2003/04 Actual	2004/05 Actual	2004/05 Strat Plan Target
Quality					
12. Facilities certified as baby friendly ¹⁷	%	4	8	12	
13. Facilities certified as youth friendly	%	Not available	2	2	
14. PHC facilities implementing IMCI ¹³	%	Not available	50	79	
Outcome					
15. Number of measles cases	No	Not available	2	31	
16. Institutional delivery rate for women under 18 years	%	8.9	8.5	11.1	
17. Not gaining weight under 5 years	%	4.3	2.9	2.6	

Table 7: Nutrition

Indicator		2002/03 Actual	2003/04 Actual	2004/05 Actual	2004/05 Strat Plan Target
Input					
1. Percentage of nutrition posts filled at all levels against nutrition staff establishments ¹⁴	%	90	96	96	100%
Process					
2. Provincial business plan submitted and approved by national department by 15 March each year	%	100	100	100	
3. Provincial monthly financial reports in terms of Division of Revenue Act submitted to national department by 10th working day of following month ¹⁵	%	100	100	100	
4. Provincial quarterly progress reports submitted to national department by 10th working day of following quarter ¹⁵	%	100	100	100	
Output					
5. Percentage of new born babies given road to health chart ¹⁶	%	76	76	76	85%
Quality					
6. Percentage of facilities with maternity beds certified as baby friendly against total facilities with maternity beds ¹⁷	%	4	8	12	15%

¹³ Only fixed clinics (mobiles excluded)

¹⁴ Accuracy of indicator queried. Average based on staff establishments.

¹⁵ Reports not always submitted by the due date.

¹⁶ 100% reported. 76% based on SADHS.

¹⁷ Total public and private maternity facilities.

Indicator		2002/03 Actual	2003/04 Actual	2004/05 Actual	2004/05 Strat Plan Target
Efficiency					
7. Percentage of INP conditional grant spent	%	100	100	98	100%
Outcome					
8. Percentage of children under five years of age monitored for nutrition status in district health facilities showing faltering or failure of weight gain	%	1.16	0.80	0.75	
9. Percentage of children under five years of age monitored for nutrition status in district health facilities diagnosed as suffering from severe malnutrition	%	0.13	0.11	0.09	

Baseline nutrition indicators

Indicator	Provincial status	Data source	National Target for 2005
1. Percentage of stunted children under 5 years	14.5%	National Food Consumption Survey 1999	< 20%
2. Percentage of underweight children under 5 years	7.4%	National Food Consumption Survey 1999	< 10%
3. Percentage of wasted children under 5 years	1.1%	National Food Consumption Survey 1999	< 2%
4. Percentage of severely underweight children under 5 years	0.7%	National Food Consumption Survey 1999	< 1%
5. Percentage of vitamin A deficient children under 5 years	21%	South African Vitamin A Consultative Group Survey 1995	0%
6. Percentage of iron deficient children under 5 years	8.2%	South African Vitamin A Consultative Group Survey 1995	0%
7. Percentage of iodine deficient children under 5 years	8%	National Iodine Deficiency Disorder Survey 1998	0%
8. Percentage of infants exclusively breast fed at six months	Not available		10%

Table 8: District Hospitals

Indicator		2002/03 Actual	2003/04 Actual	2004/05 Actual	2004/05 Strat Plan Target
Input					
1. Expenditure on hospital staff as percentage of total hospital expenditure (Excluding transfer payments)	%	75.9	73.0	71.7	
2. Expenditure on drugs for hospital use as percentage of total hospital expenditure	%	5.9	6.3	6.5	

Indicator		2002/03 Actual	2003/04 Actual	2004/05 Actual	2004/05 Strat Plan Target
3. Ex penditure on hospital maintenance as percentage of total hospital ex penditure	%	Not available	Not available	Not available	
4. Useable beds per 1000 people	No	0.4	0.4	0.4	
5. Useable beds per 1000 uninsured people	No	0.5	0.5	0.5	
6. Hospital ex penditure per person	R				
7. Hospital ex penditure per uninsured person	R	96.91	103.07	107.34	
Process					
8. Percentage of hospitals with operational hospital board	%	90	100	100	
9. Percentage of hospitals with appointed (not acting) CEO in place (or Medical Superintendent)	%	86	86	100	
10. Percentage of hospitals with business plan agreed with provincial health department	%	Not available	Not available	Not available	
11. Percentage of hospitals with up to date asset register	%	Not implemented	Not implemented	Not implemented	
12. Maximum permitted value of procurement at discretion of hospital CEO without reference to provincial level	R	Not available	Not available	Not available	
13. Facility data timeliness rate	%	90	90	90	
Output					
14. Separations per 1000 people	Per k	36	36	41	
15. Separations per 1000 uninsured people	Per k	50	50	57	
16. Patient day equivalents per 1000 people	Per k	143	143	153	
17. Patient day equivalents per 1000 uninsured people	Per k	199	199	213	
18. Patient fee income per separation	R	Not available	Not available	Not available	
19. Caesarean section rate	%	6.5	8.2	10.7	
Quality					
20. Percentage of hospitals in facility audit condition 4 or 5	%	80	45	31	
21. Percentage of hospitals that have conducted and published a patient satisfaction survey in last 12 months	%	36	50	100	
22. Percentage of hospitals with designated official responsible for coordinating quality management	%	Not available	Not available	100	
23. Percentage of hospitals with clinical audit (M&M) meetings at least once a month	%	50	85	100	
Efficiency					
24. Average length of stay	No	2.6	2.6	2.5	
25. Bed utilisation rate (based on useable beds)	%	65	66	76	
26. Ex penditure per patient day equivalent	R	557	596	618	

Indicator		2002/03 Actual	2003/04 Actual	2004/05 Actual	2004/05 Strat Plan Target
Outcome					
27. Case fatality rate for surgery separations	%	0.62	0.62	0.63	
Service volumes					
28. Separations	No	163,741	167,150	195,691	
29. OPD headcounts	No	496,611	492,880	442,667	
30. Day cases (= 1 separation = ½ IPD)	No	14,820	14,740	16,954	
31. Inpatient days	No	415,547	419,193	486,236	
32. Casualty headcount	No	206,429	230,663	250,274	
33. PDEs	No	657,304	667,744	725,693	

Table 9: Disease prevention and control programme

Indicator		2002/03 Actual	2003/04 Actual	2004/05 Actual	2004/05 Strat Plan Target
Input					
1. Trauma centres for victims of violence (sexual assault, family violence)	No	52	41	41	
Process					
2. CHCs with fast queues for elder persons	%	Not available	Not available	Not available	
Output					
3. Districts with health care waste management plan implemented	No	100	100	100	
4. Hospitals providing occupational health programmes	%	Not available	27	35	
5. Schools implementing Health Promoting Schools Programme (HPSP)	%	Not available	Not available	7	
6. Integrated epidemic preparedness and response plans implemented	Y/N	Y	Y	Y	
7. Integrated communicable disease control plans implemented	Y/N	Y	Y	Y	
Quality					
8. Schools complying with quality index requirements for the HPSP	%	No standard tool	No standard tool	No standard tool	
9. Outbreak response time	Days	3	3	3	
10. Waiting time for a wheelchair	Weeks	16 - 24	6 - 8	2 - 4	
11. Waiting time for a hearing aid	Weeks	Not available	Not available	4 - 6	

Indicator		2002/03 Actual	2003/04 Actual	2004/05 Actual	2004/05 Strat Plan Target
Efficiency					
12. Waiting time for cataract surgery	Months	Not av ailable	Not av ailable	18	
Outcome					
13. Dental extraction to restoration rate	%	Not av ailable	Not av ailable	Not av ailable	
14. Malaria fatality rate	%	0.0	4.5	2.3	
15. Cholera fatality rate	%	0.0	0.0	0.0	
16. Cataract surgery rate	No	821	852	757	2,000 per million

PROGRAMME 3: Emergency Medical Services

AIM

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

ANALYSIS PER SUB-PROGRAMME

Sub-programme 3.1: Emergency medical services

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

Sub-programme 3.2: Planned patient transport

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

ANALYTICAL REVIEW OF PROGRAMME PERFORMANCE

In a recent independent report on the programme's performance the following issues were highlighted:

Management Issues

A shortfall in management capacity was identified and redistribution of responsibilities was seen as a possible solution.

The shortage of a sound business model and the absence of clearly outlined professional roles hampered progress.

An imbalance in Metro and Rural Management Responsibilities existed and limited management capacity at a District level exacerbated the problem. Furthermore an attitudinal shift was required on the part of workers and management.

Response Performance

Poor overall response performance, particularly in the Metro Area, suggests that a radical redesign of the service and investment in infrastructure and human capital is necessary. Insufficient Emergency Medical Service capacity is at the heart of poor performance and a 10-minute gain is possible through appropriate efficiency measures. Before this is done however, the resource gap needs to be quantified and the resources aligned with demand. The current resource gap is estimated at three hundred personnel and forty ambulances.

Analysis of Performance

Although the numbers of ambulance personnel have increased nominally, the numbers of ambulances per 1,000 people has remained static and the required personnel proportional to the Emergency Rate is not appropriately high, creating a deficit in service delivery infrastructure. One of the main concerns remains the high proportion of inappropriate non-emergency trips undertaken by emergency vehicles. Although the number of red code (highest emergency) patients increased to higher levels in the past year, there were also still too many green code (non-emergency) trips being undertaken. This can be ascribed to a lack of appropriate information provided on the side of the public which impairs judgement being applied by control room personnel.

Improving response times remains the biggest challenge, but there are a number of extenuating factors, inter alia high workloads over week-ends because of high levels of violence in our society, as well as inadequate roads and street markings in informal settlements.

REPORTING ON STANDARD NATIONAL INDICATORS

Table 10: Emergency medical services and planned patient transport

Indicator		2002/03 Actual	2003/04 Actual	2004/05 Actual	2004/05 Strat Plan Target
Input					
1. Number (average) of crewed vehicles per 1,000 population per hour	No	Not available	Not available	0.02	0.02
2. Number (average) of EMS personnel per 1,000 population per hour	No	Not available	Not available	0.04	0.018
3. Ambulances per 1,000 people	No	Not available	0.045	0.041	0.045
4. Number of ambulances per 1,000 people per km ²	No	Not available	Not available	Not available	0.05
5. Percentage of vehicles appropriately equipped	%	Not available	Not available	Not available	20%
6. Hospitals with patient transporters	%	Not available	Not available	10%	
7. Number of districts with an EMS Communication Centre (CAD)	No	0	0	1	3
8. Ambulance personnel per 1,000 people	No	Not available	0.22	0.25	0.22
9. Budget in Rands per 1,000 people	R	Not available	39,093	41,333	45,555
10. PTVs per 1,000 people	No	Not available	0.01	0.01	0.01
11. PTV drivers per 1,000 people	No	Not available	0.003	0.004	0.003
12. Rescue vehicles per 1,000 people	No	Not available	0.006	0.007	0.006
13. Jaws of Life per 1,000 people	No	Not available	0.008	0.007	0.008
Process					
14. Number of ambulances replaced per year	No	51	28	65	20
15. Nett turnover of EMS personnel per year	No	Not available	Not available	Not available	< 10
Output					
16. Kilometres travelled by ambulances per year	Kms	Not available	61,449	75,675	60,000
17. Kilometres travelled by fixed wing air ambulance per year	Kms	Not available	171,533	126,886	150,000
18. Kilometres flown by rotor wing air ambulance per year	Kms	Not available	112,867	115,865	150,000

Indicator		2002/03 Actual	2003/04 Actual	2004/05 Actual	2004/05 Strat Plan Target
19. Number of patients transported per 1,000 population by emergency ambulances	No	Not available	61	93	97
20. Number of patients transported per 1,000 separations	No	Not available	Not available	Not available	
21. Kilometres travelled by ambulance per 1,000 people	Kms	Not available	4,222	3,111	4,222
22. Kilometres travelled by PTV per 1,000 people	Kms	Not available	1,111	691	1,111
23. Kilometres travelled by rescue vehicle per 1,000 people	Kms	Not available	Not available	85	54
24. Kilometres travelled by PTV per 1,000 population	Kms	Not available	626.8	691.0	626.8
25. Number of patients rescued per 1,000 population	No	Not available	0.57	1.44	0.57
26. Number of inter-hospital transfers per 1,000 population	No	Not available	17.0	14.8	17.0
27. Number of OPD patients transported	No	Not available	37,076	49,191	40,000
Quality					
29. Percentage of calls responded by single person crews	%	Not available	0	0	0%
30. Average odometer reading of vehicles	Kms	Not available	Not available	Not available	< 200,000
31. Percentage of vehicles with odometer readings < 200,000km	%	Not available	Not available	Not available	60%
32. Percentage of vehicles with odometer readings < 500,000km	%	Not available	98.5	100	100%
33. Percentage of total personnel with BLS training	%	Not available	44	33	48%
34. Percentage of total personnel with ILS training	%	Not available	47	42	50%
35. Percentage of total personnel with ALS training	%	Not available	9	7	2%
36. Percentage of facilities rated as acceptable	%	Not available	Not available	Not available	10%
37. Percentage management and administrative personnel	%	Not available	17	18	17
38. Ambulances with odometer readings < 200,000 km	No	Not available	70	118	150
Efficiency					
39. Cost per patient transported	R	Not available	593	489	400
40. Ambulance journeys used for hospital transfers	%	Not available	Not available	28	20%

Indicator		2002/03 Actual	2003/04 Actual	2004/05 Actual	2004/05 Strat Plan Target
41. Green code patients transported as % of total	%	Not available	Not available	70	60%
42. Average response times within urban area	Min	Not available	Not available	Not available	30
43. Average response times within rural area	Min	Not available	Not available	Not available	90
44. Red code patients transported per 1,000 population	No	Not available	4.5	5.4	4.5
45. Yellow code patients transported per 1,000 population	No	Not available	38.3	39.6	38.3
46. Green code patients transported per 1,000 population	No	Not available	49.0	47.9	42.5
47. Kilometres travelled per emergency patient transported	Kms	Not available	39.4	37.0	39.4
48. Kilometres travelled per OPD patient transported	Kms	Not available	105.8	63.0	105.8
Outcome					
49. Response times within national urban target (15 mins)	%	Not available	63	< 40	50
50. Response times within national rural target (40 mins)	%	Not available	70	73	50
Volume indicator					
51. Number of emergency call-outs	No	Not available	353,269	453,288	
52. Number of patients transported (routine patient transport)	No	Not available	37,076	49,191	40,000

PROGRAMME 4: Provincial Hospital Services

AIM

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

ANALYSIS PER SUB-PROGRAMME

Sub-programme 4.1: General (Regional) hospitals

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

Sub-programme 4.2: Tuberculosis hospitals

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

Sub-programme 4.3: Psychiatric/mental hospitals

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

Sub-programme 4.4: Chronic medical hospitals

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

Sub-programme 4.5: Dental training hospitals

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

ANALYTICAL REVIEW OF PROGRAMME PERFORMANCE

General Hospitals

Service Delivery

New Somerset Hospital employed an ear, nose and throat (ENT) specialist, thereby strengthening the level 2 service platform. An audiology room with services of an audiologist was created at this hospital. Additional one-off funds were allocated during 2004/05 to increase theatre slates at Groote Schuur, Tygerberg, Victoria, Somerset, Karl Bremer and Stellenbosch Hospitals. Through this intervention waiting lists were reduced. By increasing outpatient sessions and surgical slates at Hottentots Holland and Victoria Hospitals, the service platform was expanded in the Metropole.

Bed utilisation remained greater than 90% on average as a result of capacity constraints in the Metropole. This together with the reducing ALOS is evidence of the continuing pressure on hospital beds in the Metro.

Infrastructure

The Revitalisation of Hospitals Project continued at George and Worcester Hospitals. At the former, in the final phase the theatres and delivery rooms have been completed. In Worcester the Trauma and Emergency building was completed. A new heliport has been opened. Three ward blocks will be opened in May 2005.

A training centre is in the process of completion.

Upgrading at Mowbray Maternity and GF Jooste Hospitals started during 2004/05. The development of a new Level One Hospital in Khayelitsha area is in the early planning stages.

Human Resources

The total number of staff members in permanent employ decreased from 2,690 in March 2004 to 2,521 in March 2005, a loss of 169 staff members. The number of vacant nursing posts over the same period increased by 73, while the vacant posts for doctors remained the same (54), indicating some stability in this area.

Financial Resources

The total amount of revenue collected for the 2004/05 financial year was R3 million above the target set. The general hospitals' final expenditure was R 750,539,012 exceeding the allocated budget by R1,161,012.

Quality Improvement Strategies

Considerable success was achieved in this area, with hospital boards being instituted in all Regional Hospitals. A Board is being put in place at the recently established Western Cape Rehabilitation Centre. Less success was achieved in instituting clinical audits, but morbidity and mortality meetings have been instituted at all hospitals. Patient satisfaction surveys have been conducted at all hospitals with the exception of Mowbray Maternity Hospital.

Tuberculosis Hospitals

Brooklyn Chest hospital was upgraded through the creation of two 45-bedded wards for patients with multi-drug resistant (MDR) tuberculosis. These improvements included inter alia the installation of ultra-violet lights and specialised respiratory masks. Additional plans to fence the MDR wards and enclose a veranda were not executed by the Engineering Department due to insufficient funding.

Staff training was upgraded through the commencement of academic training ward rounds.

Protocols for the care and discharge of multi-drug resistant patients were put into place.

Performance indicators for these hospitals remained static with bed capacity remaining the same, patient day equivalents decreasing slightly and the bed utilisation rate decreasing slightly.

Psychiatric Hospitals

During the period under review the chronic beds were decreased by 133 beds from 2003/04 to 2004/05. This amounts to a 9.4% reduction in beds in the specialist psychiatric hospitals in one year, whilst closure of chronic beds at this rate will not result in meeting the 2010 targets in time, it is a move in the right direction.

Further progress is hampered by the lack of development of alternative community based residential facilities as well as the commissioning of 300 district and regional beds within the general service platform as envisaged in the health Care 2010 plan.

A planned 18-bed sub-acute ward for severely psychiatrically disturbed adolescents was opened at Lentegroot in August 2004.

Chronic Hospitals

Capacity at these hospitals remained stable with no changes in the numbers of beds and no changes to the contracts at Lifecare, Sarah Fox, Booth and Maitland Hospitals. A substantial increase is however evident in the number of separations and a concomitant decrease in the average length of stay (63.7 to 57.6). Thus despite a larger number of inpatient days, the expenditure per PDE has decreased significantly.

REPORTING ON STANDARD NATIONAL INDICATORS

Table 11: Regional hospitals

Indicator		2002/03 Actual	2003/04 Actual	2004/05 Actual	2004/05 Strat Plan Target
Input					
1. Expenditure on hospital staff as percentage of total hospital expenditure	%	72.8	67.7	67.3	
2. Expenditure on drugs for hospital use as percentage of total hospital expenditure	%	4.3	4.4	4.5	
3. Expenditure on hospital maintenance as percentage of total hospital expenditure	%	Not available	Not available	Not available	
4. Useable beds		1,801	1,904	2,076	1,887
5. Useable beds per 1000 people	No	0.4	0.4	0.4	
6. Useable beds per 1000 uninsured people	No	0.5	0.6	0.6	
7. Hospital expenditure per person	R	118.98	142.13	158.03	
8. Hospital expenditure per uninsured person	R	165.24	197.40	219.48	
Process					
9. Percentage of hospitals with operational hospital board	%	90	90	100	
10. Percentage of hospitals with appointed (not acting) CEO in place	%	82	86	100	
11. Percentage of hospitals with business plan agreed with provincial health department	%	Not available	Not available	100	
12. Percentage of hospitals with up to date asset register	%	Not available	Not available	100	
13. Maximum permitted value of procurement at discretion of hospital CEO without reference to provincial level	R	Not available	Not available	50,000	
14. Facility data timeliness rate	%	Not available	Not available	Not available	
Output					
15. Separations per 1000 people	Per k	35	38	39	
16. Separations per 1000 uninsured people	Per k	48	52	55	
17. Patient day equivalents per 1000 people	Per k	195	198	193	
18. Patient day equivalents per 1000 uninsured people	Per k	271	276	268	

Indicator		2002/03 Actual	2003/04 Actual	2004/05 Actual	2004/05 Strat Plan Target
19. Patient fee income per separation	R	161.76	194.24	156.26	
20. Caesarean section rate	%	29.1	29.4	27.5	
Quality					
21. Percentage of hospitals in facility audit condition 4 or 5	%				
22. Percentage of hospitals that have conducted and published a patient satisfaction survey in last 12 months	%	0	36	80	
23. Percentage of hospitals with designated official responsible for coordinating quality management	%	Not available	Not available	100	
24. Percentage of hospitals with clinical audit (M&M) meetings at least once a month	%	40	85	100	
Efficiency					
25. Average length of stay	No	3.7	3.5	3.6	
26. Bed utilisation rate (based on useable beds)	%	91	88	90	93
27. Expenditure per patient day equivalent	R	609.67	716.07	817.83	
Outcome					
28. Case fatality rate for surgery separations	%	1.9	1.7	1.7	
Service volumes					
29. Separations	No	160,210	174,978	180,855	
30. OPD headcounts	No	647,260	658,579	654,162	768,651
31. Day cases (= 1 separation = ½ IPD)	No	16,475	17,422	17,602	
32. Inpatient days	No	589,729	600,659	669,107	640,542
33. Casualty headcount	No	248,502	291,405	291,933	
34. PDEs	No	896,554	926,031	993,273	896,759

Table 12: Tuberculosis hospitals

Indicator		2002/03 Actual	2003/04 Actual	2004/05 Actual	2004/05 Strat Plan Target
Input					
1. Expenditure on hospital staff as percentage of total hospital expenditure	%	80.4	79.0	68.8	
2. Expenditure on drugs for hospital use as percentage of total hospital expenditure	%	9.9	9.8	2.9	
3. Expenditure on hospital maintenance as percentage of total hospital expenditure	%	0.9	1.0		
4. Useable beds		998	998	998	998
5. Useable beds per 1000 people	No	0.2	0.2	0.2	
6. Useable beds per 1000 uninsured people	No	0.3	0.3	0.3	

Indicator		2002/03 Actual	2003/04 Actual	2004/05 Actual	2004/05 Strat Plan Target
7. Hospital expenditure per person	R	11.16	11.70	12.30	
8. Hospital expenditure per uninsured person	R	15.50	16.25	17.08	
Process					
9. Percentage of hospitals with operational hospital board	%				
10. Percentage of hospitals with appointed (not acting) CEO in place	%	100	100	100	
11. Percentage of hospitals with business plan agreed with provincial health department	%	Not available	Not available	100	
12. Percentage of hospitals with up to date asset register	%				
13. Facility data timeliness rate	%	Not available	Not available	Not available	
Output					
14. Separations per 1000 people	Per k	1.0	1.0	0.8	
15. Separations per 1000 uninsured people	Per k	1.4	1.3	1.1	
16. Patient day equivalents per 1000 people	Per k	66	69	60	
17. Patient day equivalents per 1000 uninsured people	Per k	91	96	83	
Quality					
18. Percentage of hospitals in facility audit condition 4 or 5	%				
19. Percentage of hospitals that have conducted and published a patient satisfaction survey in last 12 months	%				
20. Percentage of hospitals with designated official responsible for coordinating quality management	%				
21. Percentage of hospitals with clinical audit (M&M) meetings at least once a month	%				
Efficiency					
22. Average length of stay	No	66.7	71.9	72.4	
23. Bed utilisation rate (based on useable beds)	%	83	88	77	85
24. Expenditure per patient day equivalent	R	169.52	170.00	206.27	
Service volumes					
25. Separations	No	4,513	4,443	3,867	
26. OPD headcounts	No	4,456	4,472	4,091	15,481
27. Day cases (= 1 separation = ½ IPD)	No	125	96	31	
28. Inpatient days	No	300,910	319,622	281,034	309,630
29. Casualty headcount	No	0	0	0	
30. PDEs	No	302,458	321,161	282,413	314,790

Table 13: Psychiatric hospitals

Indicator		2002/03 Actual	2003/04 Actual	2004/05 Actual	2004/05 Strat Plan Target
Input					
1. Expenditure on hospital staff as percentage of total hospital expenditure	%	82.8	81.5	79.5	80.0
2. Expenditure on drugs for hospital use as percentage of total hospital expenditure	%			2.2	
3. Expenditure on hospital maintenance as percentage of total hospital expenditure	%			1	
4. Useable beds		2,254	2,245	2,127	2,170
5. Useable beds per 1000 people	No	0.48	0.47	0.47	0.47
6. Useable beds per 1000 uninsured people	No	0.66	0.65	0.65	0.64
7. Hospital expenditure per person	R	54	52	57	54
8. Hospital expenditure per uninsured person	R	74	72	79	79
Process					
9. Percentage of hospitals with operational hospital board	%	90	90	100	100
10. Percentage of hospitals with appointed (not acting) CEO in place	%	82	86	100	100
11. Percentage of hospitals with business plan agreed with provincial health department	%	100	100	100	100
12. Percentage of hospitals with up to date asset register	%	0	0	0	0
13. Facility data timeliness rate	%	Not available	Not available	Not available	
Output					
14. Separations per 1000 people	Per k	1.2	1.2	1.2	1.2
15. Separations per 1000 uninsured people	Per k	1.7	1.7	1.7	1.7
16. Patient day equivalents per 1000 people	Per k	150	145	145	145
17. Patient day equivalents per 1000 uninsured people	Per k	208	198	201	199
Quality					
18. Percentage of hospitals in facility audit condition 4 or 5	%				
19. Percentage of hospitals that have conducted and published a patient satisfaction survey in last 12 months	%	0	100	100	100
20. Percentage of hospitals with designated official responsible for coordinating quality management	%		100	100	100
21. Percentage of hospitals with clinical audit (M&M) meetings at least once a month	%	40	50	100	100
Efficiency					
22. Average length of stay	No	115.7	114.7	118	

Indicator		2002/03 Actual	2003/04 Actual	2004/05 Actual	2004/05 Strat Plan Target
23. Bed utilisation rate (based on useable beds)	%	83	82	83	85
24. Expenditure per patient day equivalent	R			365	
Service volumes					
25. Separations	No	5,874	5,839	5,648	
26. OPD headcounts	No	22,300	29,752	22,121	26,930
27. Day cases (= 1 separation = ½ IPD)	No	0	0	0	
28. Inpatient days	No	679,491	668,741	645,245	673,243
29. Casualty headcount	No	0	0	0	
30. PDEs	No	686,924	678,658	652,693	682,219

Table 14: Chronic medical hospitals

Indicator		2002/03 Actual	2003/04 Actual	2004/05 Actual	2004/05 Strat Plan Target
Input					
1. Expenditure on hospital staff as percentage of total hospital expenditure	%	82.8	81.5	70.9	
2. Expenditure on drugs for hospital use as percentage of total hospital expenditure	%			1.1	
3. Expenditure on hospital maintenance as percentage of total hospital expenditure	%				
4. Useable beds		698	710	752	700
5. Useable beds per 1000 people	No	0.2	0.2	0.1	
6. Useable beds per 1000 uninsured people	No	0.2	0.2	0.2	
7. Hospital expenditure per person	R	8.22	10.56	8.86	
8. Hospital expenditure per uninsured person	R	11.42	14.67	12.31	
Process					
9. Percentage of hospitals with operational hospital board	%	90	90	100	
10. Percentage of hospitals with appointed (not acting) CEO in place	%	82	86	100	
11. Percentage of hospitals with business plan agreed with provincial health department	%				
12. Percentage of hospitals with up to date asset register	%				
13. Facility data timeliness rate	%	Not available	Not available	Not available	
Output					
14. Separations per 1000 people	Per k	0.7	0.8	1.0	
15. Separations per 1000 uninsured people	Per k	0.9	1.1	1.4	
16. Patient day equivalents per 1000 people	Per k	48	50	49	
17. Patient day equivalents per 1000 uninsured	Per k	67	70	69	

Indicator		2002/03 Actual	2003/04 Actual	2004/05 Actual	2004/05 Strat Plan Target
Quality					
18. Percentage of hospitals in facility audit condition 4 or 5	%				
19. Percentage of hospitals that have conducted and published a patient satisfaction survey in last 12 months	%	0	0	36	
20. Percentage of hospitals with designated official responsible for coordinating quality management	%				
21. Percentage of hospitals with clinical audit (M&M) meetings at least once a month	%	40	50	85	
Efficiency					
22. Average length of stay	No	70.5	63.7	57.6	
23. Bed utilisation rate (based on useable beds)	%	87	90	85	90
24. Expenditure per patient day equivalent	R	170.11	209.82	179.44	
Service volumes					
25. Separations	No	3,140	3,678	4,111	
26. OPD headcounts	No	1,631	1,502	2,944	2,300
27. Day cases (= 1 separation = ½ IPD)	No	120	246	218	
28. Inpatient days	No	221,344	234,195	233,858	229,950
29. Casualty headcount	No	369	161	111	
30. PDEs	No	222,071	234,872	235,002	230,717

PERFORMANCE AGAINST TARGETS FROM 2004/05 STRATEGIC PLAN

Table 15: Dental training hospitals

Sub-programme	Objectives (Outputs)	Indicators	2002/03 Actual ¹⁸	2003/04 Actual ¹⁸	2004/05 Actual	2004/05 Strat Plan Target
Dental training hospitals	Optimise student training as agreed to by Committee of Dental Deans	Graduating students	64	129	98	97
	Evaluate service rendering	Number of patient visits	150,000	160,000	176,926	160,000
	Reduce time patients spend on waiting lists for dentures	Number of patients on waiting lists for dentures	1,000	1,000	1,335 ¹⁹	900

¹⁸ Figures are estimated for this financial year.

¹⁹ State Health Dental Clinics send all their patients to the Oral Health Centres for dentures.

Sub-programme	Objectives (Outputs)	Indicators	2002/03 Actual ¹⁸	2003/04 Actual ¹⁸	2004/05 Actual	2004/05 Strat Plan Target
	Increase patient revenue	Percentage of accrued accounts received	60%	70%	75%	75%
	Establish revenue generation initiatives	Number of projects implemented	0	0	2 ²⁰	1
	Improved efficiency	Theatre stats	1,293	1,300	2,119	1,400 ²¹

²⁰ Orthodontics project. Denture project aborted because of cost constraints and unemployment.

²¹ State Health Dental Clinics send all their paediatric patients and patients in need of tertiary treatment to the Oral Health Centres for dental treatment under general anaesthesia.

PROGRAMME 5: Central Hospital Services

AIM

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

ANALYSIS PER SUB-PROGRAMME

Sub-programme 5.1: Central hospital services

Rendering of a highly specialised medical health and quaternary services on a national basis and a platform for the training of health workers and research.²²

ANALYTICAL REVIEW OF PROGRAMME PERFORMANCE

Situational Analysis

The Central Hospitals consisting of Groote Schuur, Tygerberg and Red Cross Hospitals provide specialised and highly specialised care (secondary, tertiary and quaternary) services for both adults and children. These hospitals provide services for the whole of the Western Cape Province including neighbouring provinces, particularly the Eastern Cape, which tend to be of the more highly specialised type.

Tygerberg Hospital is currently linked to the University of Stellenbosch and Groote Schuur and Red Cross Hospitals are currently linked to the University of Cape Town. This situation will change whereby universities and other higher education institutions will have equal access to health institutions and that institutions will no longer be linked primarily to a specific university.

iKapa Elihlumayo, social and human capital

Apart from service delivery as such, Central Hospitals contribute significantly to the strategic priorities of the Provincial Government of the Western Cape.

- The Central Hospitals demonstrate a commitment to the philosophy of “A home for all”. These institutions provide care to patients from neighbouring provinces. Quantifying the number is not easy as patients have urban (Cape Town), and rural addresses (Eastern Cape, largely). Yet it is very clear to note the increasing number of patients who are Xhosa speaking.
- Furthermore, the Western Cape Health Services provided a platform for 3,5 million health science student hours during 2004, of which 2,4 million were in the Central Hospitals. This is a massive contribution towards human capital and assists the Institutes of Higher Education to deliver doctors, nurses, pharmacists and radiographers for the country, to name but a few categories.
- The services platform provides the necessary access for research by all of the Institutes of Higher Education (HEI). Whilst research ensures income, it also contributes to the intellectual development and human capital as well as an input towards continuous improvement of our services.
- The clinicians involved in service delivery participate in primary health activities, in-service training of health workers, outreach and support, and promotion activities in the media. This contributes to prevention programmes and strengthening Primary Health Care Services and social capital.

²² Whilst this description clearly refers to tertiary and quaternary care, it is important to note that there are level 2 activities as well. The level 2 services are funded with Equitable Share funding.

Performance on National Tertiary Services Conditional Grant

The National Tertiary Services Grant (NTSG), which funds highly specialised services, is fully allocated to this programme, with the purpose of funding these services. The 2004/05 financial year was the third year of the 5-year plan whereby the National Department of Health moved R230 million away from the Western Cape to other provinces. The Province has accumulatively lost R600 million due to this decision.

The full NTSG has been allocated to the Central Hospitals and 100% was spent. The performance on the Grant Agreement was as follows: admissions were 61,000 over target, day cases were 30,000 under target, and outpatient patient activities were 366,000 over target. The National Department of Health's review of the Grant in line with these activities led to the increase of the allocation in 2005/06 by R93 million.

Financial issues

The contributions to Programme 5 can be summarised as follows:

NTSG	63,4%
HPTDG	11,3%
HMQIG	0,2%
Equitable share	25,1%

The share of departmental funding allocated to the Central Hospitals has changed as follows over the years:

2002/03	2003/04	2004/05
37.4%	35.3%	34.7%

All three hospitals have experienced severe financial constraints and started the year off with an envisaged budget reduction of 2.5%. 2004/05 was a particularly difficult year and delegations for appointments have been centralised so as to curb expenditure. This has presented challenges for managers, staff and patients alike.

Hospital Management and Quality Improvement Grant (HMQIG)

The Central Hospitals received R4,2 million from the total Grant of R16,983 million (25%). The hospitals used the funding according to the purpose of the grant. Patient satisfaction and staff satisfaction surveys were conducted, quality assurance management capacity has been established, and morbidity and mortality meetings have been implemented. Help desks have been implemented at each of the central hospitals. The funding was furthermore used to establish cost centre management. The system structures have been implemented and information management capacity has been strengthened.

Health system organisation and disease burden

The above financial pressure was furthermore exacerbated by an increased burden of disease, with special reference to HIV and AIDS, Tuberculosis, trauma and chronic illnesses. Every one of the 50 sub-disciplines across the three Central Hospitals can provide evidence of the impact of HIV and AIDS on their activities. In Paediatrics, Medicine, Neonatology and Obstetrics there have been increases in mortality figures, as well as the need for admissions to hospital. Patients admitted in these disciplines are more ill than previously and have more than a single pathology (disease)²³.

²³ A research study done in collaboration with the Health Economics Unit of the University of Cape Town on the impact of HIV on the expenditure of Tygerberg Hospital revealed that the expenditure is approximately R50 million per year (based on 2003/04 costs).

A well-known confounding factor has been the manner in which the services in the Metropole Region are organised. The Metropole Region lack level 1 hospitals, leading to the inappropriate use of level 2 hospitals, thereby diminishing the real level 2 capacity that would protect level 3 services. The envisaged Khayelisha and Mitchell's Plain Hospitals would go a long way to address this urgent need.

The activities in the Central Hospitals have shown an increase in 19.2% of patient contacts since June 2002. There has been an increase of 20.8% of Xhosa-speaking patient contacts during the same period. This clearly demonstrates the changing demographics and origins of the patients served in the Central Hospitals.

The Division of Secondary, Tertiary and Emergency Care has responded to this situation by refining the bed and services plan that would guide implementing Healthcare 2010. This would be finalised during 2005/06. This draft Plan would redefine level 1 and level 2 beds in the Metro, and also redefine true level 3 services according to the affordability framework (as determined by the total of the National Tertiary Services Grant, and 50% of the Health Professions Training and Development Grant).

One of the key strategies is to manage institutions by level of care, within a cost centre management system. This will ensure appropriate patient management for the level of care required, and will guide a redefinition of the medical staffing required in the Central Hospitals. Furthermore, due to various economies of scale, scarcity of resources, and scarcity of skills, it had been crucial to regionalise (consolidate) some of the highly specialised services. Paediatric cardiology and paediatric cardiac surgery can be mentioned as examples.

Consumables

Lack of funding for consumables is a major impediment to the provision of services, even where staff are available. On average, institutions spent 21% of their total budget on consumables instead of the targeted norm of 24%.

POLICIES, STRATEGIES AND BROAD STRATEGIC OBJECTIVES

Strategic Priorities

The key strategic challenges during 2004/05 as well as the progress thereof are listed below. This is then followed by comments on each of the Central Hospitals.

Strategic challenge	Notable points	Progress
Restructuring of Central Hospital activities	The undifferentiated 2,635 beds in the Central hospitals have to be re-engineered towards 1,290 true tertiary and quaternary beds, and 1,345 secondary level beds. Staffing and patient management will have to be aligned to this new reality.	A joint task team with universities has unpacked all current activities and re-defined secondary and tertiary activities. This will form the basis of further planning. Tygerberg Hospital has developed treatment guidelines for each department towards appropriate management at the appropriate level of care. Secondary level wards have been identified. GSH and RCCH have commenced with similar strategies. Some tertiary services consolidated (see earlier note).
Restructure Regional Hospital activities in the Metro	Regional hospitals in the Metro will have to adapt their activities so as to ensure dedicated level 1 hospital care, as well as to participate in the comprehensive level 2 hospital service.	The Metropole secondary services platform, inclusive of secondary Central Hospital activities, have been defined thereby clarifying the Healthcare 2010 picture. This will form the basis of integrated service planning. An implementation plan is being designed for each institution.

Strategic challenge	Notable points	Progress
Implement packages of care, referral guidelines and treatment protocols.	The service package by level of care forms the basis of resource allocation and patient management.	The service packages have been defined for each level of care, with specific reference to the Level 2 and 3 services. A Western Cape Clinical Guidelines Committee has been established aiming at accrediting Clinical Guidelines.
Decentralise management	Management decisions within each Central Hospital must be devolved to responsibility centres. The financial and information systems need to be aligned and management capacity needs to be developed. Clinicians to be involved in decision making.	A cost accounting system has been piloted, the information system has been aligned to provide information by cost and responsibility centre. Management capacity being developed. The lack of administrative support (funding thereof) appears to be the major remaining stumbling block.
High risk resource and service areas need to be identified and addressed	The Central Hospitals have shown a R268 million critical medical equipment need (only backlogs and urgent replacements) at the end of 2001. This formed 77 % of the departmental critical need identified at that time.	Provincial Treasury provided funding at the rate of about R40 million per annum (2004/05 being the second year). This was distributed across all services according to a scientific tool, themes and priorities. Other risk areas identified and responses developed include the following: • Diarrhoeal season (Joint team with DHS established, and season managed with improved command). • Lack of delivery at less specialised levels regarding ear nose and throat illnesses, cataract surgery, breast cancer surgery. • Major backlogs in assistive devices in Central Hospitals and the Province. R1 million worth of assistive devices delivered on a patient name basis throughout the Province. • Hospital beds in poor condition in especially Metro hospitals. R1 million worth of beds purchased and delivered. • Obstetrics and neonatal services: 32% year on year increase, especially in the Tygerberg drainage area. • Nursing: Posts were advertised with 6 month validity, previous experience acknowledged, increased training in specialised areas such as Theatre and ICU.
Quality assurance and clinical governance	A system of co-ordinating clinicians to ensure seamless service delivery.	Policy adopted and interim measures taken. Client satisfaction surveys, staff satisfaction surveys and morbidity and mortality meetings held regularly.

Estate and Equipment

Adequate maintenance of buildings and equipment at the central hospitals is a problem, for example Tygerberg Hospital has a maintenance backlog that was estimated at R200 million in 1999, this has escalated to R800 million in 2004/05. The contributions of the Western Cape public to the Red Cross Trust in support of the Health Department have been excellent. The following can be noted:

- Completion of the new Trauma and Emergency Unit. This unit opened in August 2004.
- The building of the new Oncology unit is well advanced.
- Funds have been raised for the future theatre re-development project.

Central Hospital Services

The service activities at the three Central Hospitals have been summarised below and forms a high level summary of activities across 50 disciplines and sub-disciplines.

Outputs	2002/03	2003/04	2004/05	% change MTEF period
GSH				
Admissions	42,097	40,634	42,814	1.70
Inpatient days	269,281	260,100	268,846	(0.16)
OPDs	430,554	457,767	467,263	8.53
PDEs	457,059	459,793	468,778	2.56
TBH				
Admissions	54,908	55,749	56,077	2.13
Inpatient days	363,957	371,972	361,623	(0.64)
OPDs	316,328	321,970	330,661	4.53
PDEs	504,798	511,668	508,480	0.73
RCCH				
Admissions	19,243	19,710	20,359	5.80
Inpatient days	76,734	83,570	84,469	10.08
OPDs	140,472	154,848	159,130	13.28
PDEs	125,377	138,048	139,454	11.23
TOTAL				
Admissions	116,248	116,093	119,250	2.58
Inpatient days	709,972	715,642	714,938	0.70
OPDs	887,354	934,585	957,054	7.85
PDEs	1,087,234	1,109,509	1,116,712	2.71

The above figures show a slight increase in admissions despite the closure of 100 beds.

The outpatient service activities have been streamlined in the face of increased demand. Regional Hospitals increasingly took on certain patient activities such as ear nose and throat services. General referrals from general practitioners have also been screened so as to ensure appropriate referrals.

Whilst inpatient trends show increased efficiencies, it does not reflect the impact on quality of care or the patients that could not be accommodated. Rationing of care does happen in all the institutions, especially in highly specialised areas, including intensive care. Whilst the availability of funding limits activities, the lack of professional and specialised nurses has a major impact on the ability of the services to deliver. This lack of nurses is a national and international challenge.

Individual Central Hospitals

Red Cross Children's Hospital (RCCH)

The Hospital has advanced in its independent status with the appointment of a Deputy Director Finance for their budget of R233 million.

A major challenge during the past year has been the inability to provide the minimum intensive care to all who required it. The institution requires a minimum of 22 intensive care beds and has operated on 16 beds for at least 6 months of the year. This was largely due to the unavailability of nurses, especially with intensive care skills. Even agency companies could not supply in the demand. The consequence of this situation has been an extension of waiting times. Tygerberg Hospital has, during the whole year, provided support whenever it was possible, within their resource constraints. The Hospital has developed clear criteria for admission into the intensive care unit.

The diarrhoeal season (February to May) in 2003/04 provided unprecedented challenges with bed occupancy rates of 150% at times. A clear management plan was developed with the Red Cross clinicians contributing in exemplary fashion. The management plan extended to co-operation with the City of Cape Town regarding access to water and sanitation, health promotion, and extended clinic hours for children at two community health centres.

Tygerberg Hospital

During 2003 Tygerberg Hospital started to consolidate regional services into separate wards as the first step towards strengthening capacity for regional metro hospital services. This process will continue during the MTEF period.

The lack of theatre and intensive care nursing caused major bottlenecks in the system.

Tygerberg Hospital expanded and enhanced their already well functioning revenue generation initiatives and managed to generate R7,6 million above target, a major and commendable effort.

The Hospital has implemented an integrated information system so as to manage performance better.

The infrastructure challenges at Tygerberg were as mentioned above. Intensive analysis towards decision-making would be pursued during 2005/06.

Groote Schuur Hospital

De-centralised management had been strengthened through five clinical/responsibility centres, supported by the piloting of Cost Centre Accounting.

The lack of theatre and intensive care nursing caused major bottlenecks in the system. 85% of staffing in the ICU's are from nursing agencies.

REPORTING ON STANDARD NATIONAL INDICATORS

Table 16: Central hospital services

Indicator		2002/03 Actual	2003/04 Actual	2004/05 Actual	2004/05 Strat Plan Target
Input					
1. Expenditure on hospital staff as percentage of total hospital expenditure	%	70.4	65.0	65	
2. Expenditure on drugs for hospital use as percentage of total hospital expenditure	%	6.8	6.9	5.7	
3. Expenditure on hospital maintenance as percentage of total hospital expenditure	%	1.9	0.9	1.0	
4. Useable beds	No	2,523	2,474	2,405	
5. Useable beds per 1000 people	No	0.55	0.53	0.51	
6. Useable beds per 1000 uninsured people	No	0.76	0.74	0.70	
7. Hospital expenditure per person	R	356	362	357	
8. Hospital expenditure per uninsured person	R	488	496	426	
Process					
9. Percentage of hospitals with operational hospital board	%	100	100	100	
10. Percentage of hospitals with appointed (not acting) CEO in place	%	100	100	80	
11. Percentage of hospitals with business plan agreed with provincial health department	%	100	100	100	
12. Percentage of hospitals with up to date asset register ²⁴	%	Not available	Not available	80	
13. Maximum permitted value of procurement at discretion of hospital CEO without reference to provincial level	R			Dir: 150,000 CD: 250,000	
14. Facility data timeliness rate ²⁵	%	Not available	Not available	Not available	
Output					
15. Separations per 1000 people ²⁶	Per k	19.03	18.71	18.92	
16. Separations per 1000 uninsured people ²⁶	Per k	26.42	25.98	26.28	
17. Patient day equivalents per 1000 people ²⁶	Per k	178	179	177	
18. Patient day equivalents per 1000 uninsured people ²⁶	Per k	247	248	246	
19. Patient fee income per separation (real terms) ²⁷	R			1,400	

²⁴ Asset Management System not available. Inventories are kept.

²⁵ New indicator: Definition being clarified.

²⁶ Population denominator: Insured population = 28% of total population. Western Cape uninsured population weighted with 33% for cross-border flows for tertiary services

²⁷ Total revenue used.

Indicator		2002/03 Actual	2003/04 Actual	2004/05 Actual	2004/05 Strat Plan Target
20. Caesarean section rate	%	34.67	28.57	35	
Quality					
21. Percentage of hospitals in facility audit condition 4 or 5 ²⁸	%	67	67	67	
22. Percentage of hospitals that have conducted and published a patient satisfaction survey in last 12 months	%	25	100	100	
23. Percentage of hospitals with designated official responsible for coordinating quality management	%	20	30	100	
24. Percentage of hospitals with clinical audit (M&M) meetings at least once a month	%	75	100	100	
Efficiency					
25. Average length of stay	No	6.16	6.21	6.04	
26. Bed utilisation rate (based on useable beds)	%	77.7	79.9	82.1	
27. Expenditure per patient day equivalent	R	1,668	1,478	1,632	
Outcome					
28. Case fatality rate for surgery separations	%	3.72	3.67	3	
Service volumes					
29. Separations	No	116,248	116,093	119,250	
30. OPD headcounts	No	887,354	934,585	957,054	
31. Day cases (= 1 separation = ½ IPD)	No	11,765	11,043	11,685	
32. Inpatient days	No	709,972	715,642	714,938	
33. Casualty headcount	No	141,407	153,239	145,624	
34. PDEs	No	1,087,234	1,109,509	1,116,712	

²⁸ Last audit conducted in 1996.

PROGRAMME 6: Health Sciences and Training

AIM

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

ANALYSIS PER SUB-PROGRAMME

Sub-programme 6.1: Nurse training college

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

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

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

Sub-programme 6.3: Bursaries

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

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

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

Sub-programme 6.5: Training (other)

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

ANALYTICAL REVIEW OF PROGRAMME PERFORMANCE

The Department has significantly increased the number of nurses in training at both the Western Cape College of Nursing (WCCN) and the University of the Western Cape.

Due to the change in the curriculum in the training of Emergency personnel, that is the change from short term courses to a four year degree course, there is a decrease in the number of staff in training, however the Department is of the view that this change will lead to more appropriately qualified staff.

PERFORMANCE AGAINST TARGETS FROM 2004/05 STRATEGIC PLAN

Table 17: Performance against targets from 2004/05 strategic plan for the Health Sciences and Training Programme

Sub-programme	Objectives (Outputs)	Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2004/05 Strat Plan Target
Nurse Training College	Nurse Training: R425 Nursing Diploma Programme and B Cur Nursing Science Programme	4-year R425 Diploma / Degree Programme: Number of student nurses on the staff establishment (i.e. Employee Students) of the Western Cape College of Nursing (WCCN) trained per year				
		1 st year	159	177	0	0
		2 nd year	273	174	172	177
		3 rd year	212	208	163	174
		4 th year	184	196	205	208
		Total	828	755	540	559
		Progression of successfully trained nurses based on year 1 to year 4 per financial year Target: 85% graduates per programme	755 (91%)	645 (85%)	404 (75%)	475 (85%)
EMS Training College	Monitor and evaluate the EMS training programmes	Number of intake of students per training year				
		BAA	294	200	24	200
		AEA	75	75	24	75
		Paramedic	15	14	12	20
		MBR	99	16	30	32
		IMR	16	12	0	16
		Flight Medical	17	15	0	30
		CPD training	60	100	262	150
		National Diploma BMC			152	60
		Level 3	362	100	46	100
		Total	998	592	550	683

Sub-programme	Objectives (Outputs)	Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2004/05 Strat Plan Target
		Number of graduates per programme				
		BAA	250	170	22	170
		AEA	65	65	21	65
		Paramedic	12	12	9	17
		MBR	85	14	28	27
		IMR	13	10	0	14
		Flight Medical	14	123	0	25
		CPD training	50	85	262	130
		National Diploma BMC	0 ²⁹	0 ²⁹	37	50
		Level 3	305	85	43	85
		Number of learners to complete programme	794 ²⁹	453 ²⁹	422	583
Bursaries	Nursing bursaries: Identify nurse training needs based on service delivery priorities for all categories of nursing: Basic, Post basic / post registration.	Number of new students admitted to training (basic and post-basic nursing)				
		Bridging Nurse Training – Mid Level (ENA to EN and EN to RN)	74	62	24	70
		Basic Nurse Training				
		R425 Nursing Diploma	0	169	0	0
		B Cur Nursing Science	270	188	407	400
		Post Basic Nurse Training (Clinical speciality / non clinical for RN)	93	118	65	70
		Total	437	537	496	490

²⁹ Lead time of training is 3 years

Sub-programme	Objectives (Outputs)	Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2004/05 Strat Plan Target
		Number of graduates				
		Bridging Nurse Training – Mid Level (ENA to EN and EN to RN) ³⁰	85	27	51	54
		Basic Nurse Training				
		R425 Nursing Diploma	0	0	0	0
		B Cur Nursing Science ³⁰	0	2	3	3
		Post Basic Nurse Training (Clinical speciality / non clinical for RN) ³⁰	73	118	33	41
	A combination of in-house training at the Western Cape College of Nursing and financial sponsorships of university training provided through bursaries	Number of learners to complete programmes per year	412 ³¹	580 ³¹	705 ³¹	460 ³¹
	Monitor and evaluate programmes	Average training cost per bursar:				
		Bridging Nurse Training	R6,600	R7,500	R7,000	R8,000
		Basic Nurse Training	R22,000	R22,000	R24,000	R26,000
		Post Basic Nurse Training	R5,400	R6,500	R5,000	R8,000
	Bursaries for health science, excluding nursing	Maintenance of existing bursaries				
		Full-time studies	92	125	227	225
		Part-time studies	55	65	64	74
		Total	147	190	291	299
		New bursaries full-time studies	107	121	69	70
		New bursaries part-time studies	89	100	0	31

³⁰ Initial target was erroneously based on annual promotion. Target adjusted to indicate actual graduate numbers, which occurs on completion of 4th year of study.

³¹ Reflect actual promotion per year of study, which includes students being maintained.

Sub-programme	Objectives (Outputs)	Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2004/05 Strat Plan Target
		Number of bursaries progressing on a year to year basis:				
		Full-time studies	92	47	52	52
		Part-time studies	89	44	20	29
	Monitor and evaluate programmes	Number of learners to complete programmes per year	181	91	72	81
		Average bursary cost per graduate				
		Full-time study	R14,000	R14,000	R23,000	R16,000
		Part-time study	R5,000	R6,000	R8,500	R7,000
Primary Health Care Training	Provision of PHC related training interventions for personnel provided by the regions	Number of training interventions provided to PHC personnel	2,013	5,467	3,180	6,000
Training (Other)	Levy payment to HWSETA	Levy payment to HWSETA	R1,440	R1,465	R1,873	R1,873
	Coordinate the implementation of the Departmental Workplace Skills Plan through the provision of training and development of personnel within the Department	Number of training interventions provided to personnel	8,338	15,286	15,897	15,500
	Ensure appropriate development of human resources to support health service delivery through the development of management and leadership development skills	Number of management and leadership development training opportunities	838	663	731	750

Sub-programme	Objectives (Outputs)	Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2004/05 Strat Plan Target
	Ensure appropriate development of human resources to support service delivery through the provision of ABET/AFET training	Number of ABET learners registered for courses	160	545	1,189	1,000
	Ensure appropriate development of human resources to support health service delivery through the provision of learnerships for personnel	Number of 18.1 learnerships provided to employed personnel	Not available	0	82	199
	Contribute to the goals of iKapa Elihlumayo through provision of learnerships for unemployed people	Number of 18.2 learnerships provided to unemployed persons	Not available	19	20	159
	Partner Higher Education Institutions to contribute to the growth and development of the province through the provision of internships	Number of interns placed	Not available	21	77	36

REPORTING ON PERFORMANCE ON HEALTH PROFESSIONALS TRAINING AND DEVELOPMENT GRANT

The aim of the Grant is to support provinces with the service costs related to teaching and training.

Table 18: Health Professions Training and Development Grant

Output description	2004
Number of health students	19,113
Number of registrar posts	578
Number of specialists posts	428

Table 19: Health sciences student hours in services

Course	Higher Education Institution			Total
	UCT	US	UWC	
Dental	0	0	239,629	239,629
Dietetics	0	24,392	8,030	32,422
MChD	0	0	39,600	39,600
Medical	707,640	608,142	0	1,315,782
MFamMed	0	22,080	0	22,080
MMed	666,080	609,688	0	1,275,768
MSc (Dent) (Clinical)	0	0	5,940	5,940
Nursing	0	105,348	187,912	293,260
OT	39,112	39,042	43,058	121,212
Pharmacy	0	0	5,427	5,427
Physio	49,000	51,128	43,200	143,328
Speech	22,136	9,654	0	31,790
Total	1,483,968	4,469,474	572,796	3,526,238

Table 20: Health, Professionals Training and Development Grant

Indicator		2002/03 Actual	2003/04 Actual	2004/05 Actual	2004/05 Strat Plan Target
Input					
1. Intake of medical students ³²	No				
2. Intake of nurse students ³³	No	278	365	407	
3. Students with bursaries from the province	No	689	1,157	1,700	
Process					
4. Attrition rates in first year of medical school ³²	%				
5. Attrition rates in first year of nursing school ³⁴	%	10	10	15	
Output					
6. Basic medical students graduating ³²	No				
7. Basic nurse students graduating ³⁵	No	179	196	211	
8. Medical registrars graduating ³²	No				
9. Advanced nurse students graduating ³⁴	No	99	140	146	
Efficiency					
10. Average training cost per nursing graduate	R	32,709	34,663	37,674	
11. Development component of HPT & D grant spent	%				

³² Information regarding medical students is not available at present.

³³ Figures relate to 1st year intake only and only for bursaries and/or posts funded by Western Cape Department of Health (self funded nurse students are not included)

³⁴ This data is only for the Western Cape College of Nursing

³⁵ Figures relate to 4th year graduates only and only for bursaries and/or posts funded by Western Cape Department of Health (self funded nurse students are not included)

REPORTING ON STANDARD NATIONAL INDICATORS

Table 21: Human resource management³⁶

Indicator		2002/03 Actual	2003/04 Actual	2004/05 Actual	2004/05 Strat Plan Target
Input					
1. Medical officers per 1,000 people	No	0.38	0.37	0.37	
2. Medical officers per 1,000 people in rural districts	No	0.11	0.12	0.13	
3. Nurses per 1,000 people	No	0.85	0.84	0.85	
4. Nurses per 1,000 people in rural districts	No	0.57	0.55	0.55	
5. Pharmacists per 1,000 people	No	0.04	0.05	0.05	
6. Pharmacists per 1,000 people in rural districts	No	0.03	0.04	0.04	
Process					
7. Vacancy rate for nurses	%	22	19	17	
8. Attrition rate for doctors	%	31	37	36	
9. Attrition rate for nurses	%	10	12	11	
10. Absenteeism for nurses	%	3	3	3	
Output					
11. Doctors recruited against target	%	Not available	Not available	Not available	
12. Pharmacists recruited against target	%	Not available	Not available	Not available	
13. Nurses recruited against target	%	Not available	Not available	Not available	
14. Community service doctors retained	%	Not available	Not available	Not available	
Quality					
15. Facilities with employee satisfaction survey ³⁷	%	Not available	15	30	
Efficiency					
16. Nurse clinical workload (PHC)	Ratio	29.7	30.1	35	
17. Doctor clinical workload (PHC)	Ratio	48.3	50.6	50	
Outcome					
18. Surplus staff as a percentage of establishment	%	Not available	Not available	Not available	

³⁶ Figures exclude Local Government personnel.

³⁷ Indicator reports on hospitals only.

PROGRAMME 7: Health Care Support Services

AIM

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

ANALYSIS PER SUB-PROGRAMME

Sub-programme 7.1: Laundry services

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

Sub-programme 7.2: Engineering services

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

Sub-programme 7.3: Forensic services

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

Sub-programme 7.4: Orthotic and prosthetic services

Rendering specialised orthotic and prosthetic services.

Sub-programme 7.5: Medicine trading account

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

ANALYTICAL REVIEW OF PROGRAMME PERFORMANCE

Major projects undertaken or completed during the year

The following major projects are visible evidence of the implementation of Healthcare 2010:

- The Provincial Rehabilitation Centre at Lentegour Hospital was completed and officially opened. This modern facility was constructed at a cost of R102,182,977 million.
- The rehabilitation services previously rendered at Conradie Hospital were relocated to the Provincial Rehabilitation Centre and Conradie Hospital was closed. The hospital premises was sold for R125 million.
- The major upgrading of the George, Worcester and Vredenburg Hospitals is proceeding well. An amount of R104,651.603 million from the Hospital Revitalisation Grant was spent on these hospitals.
- Crusaid's: Gugulethu Aids Clinic completed at the cost of R1,8 million.
- The R30 million project to renovate and upgrade the Mowbray Maternity Hospital commenced and work is progressing satisfactorily.
- The roll-out of the health information system commenced with a pilot project involving 4 hospitals and by the end of the financial year 3 hospitals were completed and the fourth is nearing completion.
- The Nelspoort complex has been transferred to the Municipality and only the hospital has remained under the control of the Department of Health.

Laundry Services

Laundry services have successfully supplied the hospitals with a reliable supply of clean disinfected linen. In-house laundry services are substantially more expensive than the out-sourced services. A major breakthrough is the awarding of 5 year contracts for outsourced laundry services. This will greatly improve the sustainability of private sector laundries. The previous policy of the provincial Tender Board to award one and two year contracts resulted in the closure of the largest private laundries in the province. There is a need to rebuild private sector capacity to facilitate out-sourcing.

The demand for linen decreased in the 2004/05 year. This can be attributed to a down-scaling of activity in hospitals as a result of the need to remain in budget coupled with a more rigorous application of linen usage norms. As a result of the lower throughput and the fixed overhead costs, the cost per piece done in-house increased above the target of R1.70 to R1.81.

An additional once-off allocation of R5 million for the purchase of linen alleviated the shortage of linen that resulted from budgetary pressures at institutions.

Engineering Services

The budgetary pressure at individual institutions has resulted in a greater reliance on the central workshops at Karl Bremer, Vrijzee and Zwaanswyk. The budget of the central workshops was strengthened by an allocation of R4.2 million from the Public Works maintenance budget to improve the day-to-day maintenance of buildings and R5 million for fire protection.

The R5 million for fire protection was an additional allocation near the end of the financial year. It was not possible to spend this additional allocation due to the late allocation of funds.

The introduction of Logis created severe delays in the normal function of the maintenance departments and the service delivery of Bellville, Zwaanswyk and Clinical Goodwood Workshops.

Recruiting and retaining qualified and experienced technical personnel is becoming increasingly difficult. Clinical Engineering Technicians were declared a scarce skill group and their salary packages were improved in an attempt to facilitate recruitment and retention.

The maintenance workload in respect of ageing equipment is slowly being alleviated through the purchase of new equipment. Significant amounts of equipment have been purchased using the Hospital Revitalisation Grant (R26,6 million) and an earmarked allocation from the Provincial Treasury (R43 million).

The cost of utilities per bed now includes medical gas costs. The actual cost has not increased to the extent indicated in the tables. The large apparent increase is the result of more accurate and comprehensive data collection than was possible in previous years.

Forensic Services

The Forensic Pathology Service (FPS) aims to render a standardised, objective, impartial and scientifically accurate service (following nationally uniform protocols and procedures) for the medico-legal investigation of death that serves the judicial process in the Western Cape. High turnover of medical specialists due to scarcity of senior posts and high stress levels associated with the performing of approximately 5,016 medico-legal autopsies per annum in the Metro Region continue to impact on the ability of the Department to deliver on this.

During this financial year the Department has been planning for the transfer of forensic mortuaries from the South African Police Service to Health and once approval is given the transfer will be effected.

The Provincial Department of Health has identified the need for improvement of the Forensic Pathology Services Support in the "rural" Regions. This is being implemented as funding becomes available. West Coast/Winelands Region has embarked on the appointment of a permanent Specialist Forensic Pathologist in this Region.

Orthotic and Prosthetic Services

The inability to recruit and retain qualified personnel remains a major problem. The decline in the items manufactured and the increase in the waiting list are the results of the personnel shortage. The service in the Southern Cape has been successfully outsourced. From a service rendering view point a greater portion of the service should be outsourced, however, retention of this function within the Department is deemed strategic to ensure ongoing training of these technicians.

Medpas Trading Account

This sub-programme allows for the augmentation of Capital to enable the Cape Medical Depot to purchase adequate stock to service all registered demanders.

Currently an amount of R36,1 million has been provided for the purchase of stock. The Depot has been maintaining stock at the level of R50 million to cater for the current demand. This has resulted in dues-out being below 60 and a service level in excess of 85%.

PERFORMANCE AGAINST TARGETS FROM 2004/05 STRATEGIC PLAN

Table 20: Performance against targets from 2004/05 strategic plan for the Health Care Support Services Programme

Sub-programme	Objectives (Outputs)	Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2004/05 Strat Plan Target
Laundry services	Provide laundry services to all provincial hospitals	Number of pieces laundered	21m	21m	18m	22m
		Number of pieces laundered: in-house laundries	14.4m	17m	14m	17m
		Number of pieces laundered: out-sourced services	7.6m	5m	4m	5m
	Provide cost effective in-house laundry service	Average in-house cost per item	R1.50	R1.68	R1.81 ³⁸	R1.70
	Provide cost effective out-sourced laundry service	Average out-sourced cost per item	R1.10	R1.15	R1.30	R1.33
Engineering services	Effective maintenance of buildings and engineering installations	Maintenance backlog as % of replacement value	10%	9%	8%	8%

³⁸ The deviation is explained in the text under "ANALYTICAL REVIEW OF PROGRAMME PERFORMANCE"

Sub-programme	Objectives (Outputs)	Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2004/05 Strat Plan Target
	Efficient engineering installations	Cost of utilities per bed	R3,650	R3,600	R5,560 ³⁸	R4,300
	Safe working environment (Buildings, machinery and equipment)	Number of reportable incidents	300	300	291	300
	Cost effective maintenance of medical equipment	Average cost per repair				R800
	Cost effective maintenance of medical equipment	Number of jobs completed – in-house/outsourced	10,050	11,200	10,507	12,000
Forensic services	Render a forensic pathology service to the Metropole Region in accordance with prevailing statutory requirements	Number of post mortem examinations	5,273	6,500	5,016	7,000
	Render a cost effective forensic service in the Metropole	Average cost per examination	R1,037	R1,150	R1,284	R900
Orthotic and prosthetic services	Render an Orthotic and Prosthetic service for the Province	Number of devices manufactured	4,500	5,884	4,109	4,800
	Provide quality Orthotic and Prosthetic devices	% of devices requiring remanufacture	5%	3%	3%	3%
	Provide a responsive Orthotic and Prosthetic service	Number of patients on waiting list waiting over 6 months	600	600	705 ³⁸	600
MEDPAS trading account	Ensure availability of essential drugs	No of items on dues out	61	60	<60	60
	Efficient utilisation of working capital	Stock turnover	8.7	9	9	9
	Adequate working capital to support adequate stockholding	Stock turnover	32m	46m	50m	46 million
	Sufficient stock available at end-user level	Service level	81.5%	>85%	>85%	> 85%

PART 3 REPORT OF THE WESTERN CAPE PROVINCIAL GOVERNMENT AUDIT COMMITTEE: HEALTH FOR THE FINANCIAL YEAR ENDED 31 MARCH 2005

1. Introduction

The Audit Committee is pleased to present its report for the financial year ended 31 March 2005. The committee regrets the late submission of this report and wishes to point out that it was due to circumstances beyond the control of the committee.

2. Audit Committee Report

This report is furnished in accordance with National Treasury Regulations.

3. Members, meetings and attendance

Two new members of the Audit Committee were appointed in the 2004/2005 financial year, Mr M Tshume and Mr J Levendal, who were both appointed in July 2004. The following members served in the financial year under consideration.

3.1 Name of member:

Dr Thomas Sutcliffe (Chairperson)
Mr Keith Ravens
Mr Themba Pasiwe
Mr Mpumelelo Tshume
Mr Jerome Levendal

Ms Penelope Khumalo functioned as the co-ordinator and secretariat to the committee.

3.2 Meetings and attendance

The Audit Committee met 7 times in the year under consideration in accordance with its approved terms of reference. The attendance record is as follows:

Dr Thomas Sutcliffe	7 meetings
Mr Keith Ravens	7 meetings
Mr Themba Pasiwe	6 meetings
Mr Mpumelelo Tshume	5 meetings
Mr Jerome Levendal	5 meetings

The Audit Committee also held a number of *ad hoc* meetings to seek clarity on specific issues. These included two meetings with the Accounting Officer, a meeting with the Internal Control unit and a meeting with the Chief Director: Human Resource Management. In addition, the Audit Committee was given a presentation on the Provincial Department of Health's 2010 Health Plan by the Accounting Officer.

4. Audit Committee Responsibility

4.1 Compliance by the Audit Committee

The Audit Committee reports that it has complied with its responsibilities arising from section 38(1) (a) of the Public Finance Management Act and Treasury Regulation 3.1.10. The Audit Committee reports that it has adopted appropriate formal terms of reference as its Charter, has regulated its affairs in compliance with this Charter and has discharged its responsibilities as contained therein.

4.2 The Quarterly and Monthly Reports submitted in terms of the Division of Revenue Act, 2004 (Act 5 of 2004)

The Audit Committee is satisfied with the quality and content of the quarterly and monthly management reports prepared and issued by the Accounting Officer and the Department during the year under review. However, the Committee feels these reports should be submitted to it more timeously i.e. on a quarterly basis.

4.3 The Effectiveness of Internal Audit and Control

The Audit Committee found that elements of internal controls were not entirely effective for the year under review and that compliance with prescribed policies and procedures was lacking in certain areas. During the year, several instances of serious non-compliance were identified and reported on by the contracted internal auditors, the Sihluma Sonke Consortium, as well as the Department's own Internal Control Division.

The Audit Committee is concerned that, as a result of budget constraints, the preferred Internal Audit Plan (referred to as the 'Utopian Internal Audit Plan') could not be implemented in full. However, the Sihluma Sonke Consortium's three-year internal audit plan adopted by the Department reassures the Committee with the reassurance that adequate capacity in internal risk management is likely to be achieved.

4.4 The Annual Financial Statements

The Audit Committee has considered the Annual Financial Statements for the year under consideration along with the explanatory report signed by the Accounting Officer.

The Committee has noted that the statements have been prepared on the modified cash basis (GRAP compliance) of accounting and that adequate disclosure notes and variance explanations are provided.

However, the Committee wishes to make the following observations on the Department's Annual Financial Statements:

- 4.4.1 In the Committee's view, the Department performed extremely well against the year's total budget and revenue targets and this is commended.
- 4.4.2 The Committee notes that whilst over-expenditure on the total budget is not material, the explanatory paragraphs on remedial actions to avoid over-expenditure warrant enhancement.
- 4.4.3 The Committee was advised that the BAS accounting system is still unable to provide timeous financial management control information. Taking the deficiencies in the BAS system into account, the Committee feels that the Department's fiscal performance for the year in question is remarkable and commendable.
- 4.4.4 The Committee is of the view that the percentage of the health budget provided for maintenance (4%) is inadequate and below the accepted target of 7%.
- 4.4.5 The Committee is of the view that the practise of continuing to record accumulated over-expenditure in the Financial Statements of the Department is not helpful and notes the Department's explanation that the promulgation of the proposed Finance Bill might serve to correct this issue.

- 4.4.6 The Committee is concerned that Service Level Agreements to cover transfer payments to Local Authorities are not yet in place, but takes note of the Accounting Officer's explanation regarding the inherent difficulties and complexities the respective parties face in coming to agreement on SLAs, as well as the proposed future provincialisation of all primary health care services in the Province.
- 4.4.7 Disclosures regarding the use of donor funding as set out in the Annual Financial Statements are, in the view of the Committee, unclear and confusing. The Committee noted the Department's explanation that the reporting templates compiled by National Treasury in respect of donor funding are inflexible and have to be complied with. The Committee recommends this matter be brought to the attention of National Treasury.
- 4.4.8. The Committee is satisfied with the financial statements in respect of the **Central Medical Depot**. The reason for the late submission of these statements was explained to the Committee and is accepted. The Committee is of the opinion that given the complexity of converting cash accounting to Accrual accounting the Department had, in the circumstances, performed well.
- 4.5 The Departmental risk assessments and response strategies and the operational internal audit plans**

The Audit Committee is satisfied with the risk assessments, response strategies and operational internal audit plans concluded in the year under review and expresses appreciation for the work done by the Consortium in conjunction with the Department.

4.6 The rolling three year strategic and annual internal audit plans

The Audit Committee was provided with the rolling three year strategic and annual internal audit plans for the period 2005/2006, on 23 May 2005, but as the Department's final input in regard to these plans has not been provided to the Committee, the Committee is not in a position at this stage to make final comment.

4.7 The forensic audit report

The Audit Committee was satisfied with the forensic audit report presented to it on the scope, nature, outcome and loss recovery of the audits conducted in the Department during the period under review. However, the Audit Committee expresses concern that there are recurring problems in this respect and suggests that attention be given at a departmental level to the follow-up and resolution of outstanding cases.

5. Report of the Auditor General

The Audit Committee concurs with and accepts the conclusions of the Auditor General in his Report on the annual financial statements. However, the Committee wishes to make the following observations:

5.1 Unauthorised expenditure

The Committee noted the unauthorised expenditure as reported by the Auditor General and comments as follows:

- 5.1.1 The net over-expenditure of R2,4 million for the Department on a budget of R4,878,343 million is regarded as not being material.
- 5.1.2 The R16,9 million over-expenditure on a budget of R1,318,782 million in Programme 2 represents an 1,3% over-expenditure, which is acceptable. According to the Department's Health Plan 2010, there is a planned shift of health services to Primary Healthcare, which, in the view of the Committee, ~~attenuates~~ this over-expenditure.

5.1.3 The Committee accepts the Department's explanation that over-expenditure of R2,2 million on Programme 3 on an overall budget of R188,241 million, is as a result of increased expenditure on Air Mercy Services.

5.2 Control over commuted overtime (Paragraph 4.2.1 of the Report)

The Audit Committee notes the findings of the Auditor General, but wishes to express the view that the commuted overtime system currently in use (i) does not adequately address the fair and equitable remuneration of public sector medical health professionals for overtime worked and (ii) that it is an extremely difficult and labour intensive system to monitor and control. The Committee is pleased to note from the Accounting Officer that more suitable alternative systems of overtime remuneration are likely to be investigated at a national level.

5.3 Overtime while on leave (Paragraph 4.2.2(b) of the Report)

The Audit Committee expresses concern that fraud might be an explanation for a large component of these payments and recommends that an investigation be launched into the cause of these irregular payments.

5.4 Effect of excessive overtime (Paragraph 4.2.2(c) of the Report)

The Audit Committee is of the view that there is no causal relationship between medical staff shortages, the standard of health care and medico-legal claims and that in contradistinction to the Auditor General's supposition in this regard, feels that the three cannot reliably be linked in a cause and effect relationship.

5.5 Human resources management plan (Paragraph 4.2.6 of the Report)

The Audit Committee notes the Auditor General's observation that at present there is no National human resources management plan and that this vacuum leads to difficulties in compiling departmental plans at provincial level.

5.6 Transfer payments (Paragraph 4.4.1 of the Report)

See Paragraph 4.4.6 of this Report.

5.7 Non-compliance with the National Treasury guide for preparation of financial statements (Paragraph 4.8 of the Report)

The Audit Committee notes the above non-compliance and the explanation given for it by the Chief Financial Officer. It is recommended that Provincial Treasury consider this issue with the Department and, if deemed appropriate, that Provincial Treasury make application to National Treasury for a special exemption on the grounds of securing improved financial control over donor funds. (See also Paragraph 4.4.7).

5.8 The Cape Medical Depot Report (CMD)

The Committee has taken note of the General Control weaknesses as reported by the Auditor General. The fact that the Cape Medical Depot is audited by the Office of the Auditor General on an annual basis resulted in other areas of risk being prioritised for Internal Audit inspections above the CMD. The Committee is furthermore informed that as a result of budgetary constraints the Depot will not be subject to Internal Audit during the 2005/2006 financial year, which is a concern.

5.9 Matters of public interest – HIV/AIDS programme (Paragraph 4.9 of the Report)

The Audit Committee notes the findings, but wishes to express the view that these findings should be set in the context of the singular successes achieved by this programme overall.

6. Matters Allied

6.1 Health Plan 2010

The Audit Committee expresses appreciation to the Accounting Officer for the presentation made to it on the Department's 2010 Plan Health Plan. The objectives of the plan are supported by the committee. Delays in the implementation of the plan were explained to the committee satisfaction.

However, the Audit Committee expresses the view that there is inherent risk to the successful implementation of the plan due to (i) the apparent population undercount in the 2001 Census in some areas of the Cape Town Metropole, (ii) the capacity of the Department to recruit, retain and fund adequate numbers of suitably trained staff to meet service requirements inherent in the plan and (iii) rapid increases in urbanisation impacting adversely on the Department's capacity to meet future needs.

6.2 Insurance of moveable assets

The Audit Committee suggests that, particularly in the case of expensive, high-maintenance and critically important medical equipment, the Department investigate the cost-effectiveness and possible advantages of obtaining insurance to cover loss or break down, as is now allowable, under certain conditions, as described in paragraph 12.1.2 of the National Treasury Regulations.

6.3 Progress towards achieving employment equity and affirmative action

The Audit Committee will, in conjunction with the Department's Chief Directorate: HRM, consider and monitor the progress made in the above regard during the course of the current (2005/2006) financial year. In addition, the committee believe that the proposed Affirmative Action strategy must be implemented as soon as possible.

6.4 Internal Audit and Internal Control

The Audit Committee recommends that every effort be made to (i) resolve the apparent confusion in the roles of these two functions, (ii) complete the organisational structure of such unit/units and (iii) establish such unit/units within the Department as soon as possible. In addition, the Committee emphasises the importance of monitoring and implementing one of the tender requirements contained in the Sihluma Sonke Consortium contract i.e. to leave a 'footprint' of trained, provincial internal audit personnel. The Committee is satisfied with progress made in this regard in the financial year under consideration.

7. Appreciation

The Audit Committee wishes to express its appreciation to the Accounting Officer, the Chief Financial Officer, relevant staff of the Department of Health, the Provincial Treasury's Chief Audit Officer, the Auditor General and members of his staff, representatives of the Sihluma Sonke Consortium and the Audit Committee: Health secretariat, for their assistance and co-operation during the financial year under review.



(DR TJ SUTCLIFFE)
CHAIRPERSON, FOR AND ON BEHALF OF THE AUDIT COMMITTEE HEALTH: WESTERN CAPE
PROVINCIAL GOVERNMENT.
Date: 09 September 2005

PART 4: ANNUAL FINANCIAL STATEMENTS

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**DEPARTMENT OF HEALTH
VOTE 6**

**ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005**

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

1. General review of the state of financial affairs

- **Important policy decisions and strategic issues facing the Department**

Legislation

The National Health Act, 2003 (Act 61 of 2003) has been signed by the President and came into effect on 2 May 2005, excluding chapters 6 and 8 and certain sections of other chapters as stipulated in Proclamation R.19 of 18 April 2005, gazette number 27503.

The National Health Act has important implications for the Province as new provincial health structures are created. For example, the Provincial Health Council, which will act as an advisory body to the provincial Minister, must be established within 90 days of the commencement of the Act. The Act also obligates the provincial Minister to establish a provincial consultative body whose main function will be to promote and facilitate interaction, communication and the sharing of information on provincial health issues. It is also incumbent on the provincial Minister to establish a District Health Council for each health district within the province. These Councils can however only be established after the provincial Minister for Local Government and the respective municipal councils of either the metropolitan or district municipalities have been consulted.

From 1 April 2005 the Department of Health will assume responsibility for the Personal Primary Health Care (PPHC) services in the non-metropolitan areas. This is the result of the provisions of the Health Act (of 2003), read together with the Municipal Finance Management Act (56 of 2003) and the Municipal Structures Act (117 of 1998 as amended).

As a result of the provisions of the Mental Health Act of 2002, which became operational on 15 December 2004, the Department is in the process of amending the procedure for the admission of mentally ill patients. The Department has developed a policy regarding the establishment of Mental Health Review Boards and established a single Review Board for the Province. Contracts of the members were signed on 3 May 2005.

Facility Boards have been created at all Provincial Hospitals as required by the Western Cape Health Facility Boards Act of (7 of 2001)

Legal compliance with the Pharmacy and Medicines legislation by July 2005 will be a challenge as it will demand the upgrading of infrastructure, training and licensing of identified dispensers, additional human resource requirements, training and registration of Pharmacists Assistants as well as a re-engineering of the drug supply chain. All of which has not been additionally funded.

Policy

The imperatives of the National Department of Health that provide the overarching framework for the provincial Department of Health are the Millennium Development Goals and the National Department of Health's Five-year Priorities (2004 – 2009).

**DEPARTMENT OF HEALTH
VOTE 6**

**ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005**

Ikapa elihlumayo, the Provincial growth and development strategy has created a new set of developmental challenges. The Department of Health is designated as a support department in the two lead strategies, i.e. Strategic Infrastructure Plan and Social Capital Formation. Considerable work has been done with the partners in the Social Cluster to define strategies for social capital formation, these include reducing the morbidity and mortality caused by diarrhoea, improving levels of immunisations of children and improving the management of chronic illnesses. Business Plans for the implementation of these strategies are being developed.

Within this framework Healthcare 2010 remains the cornerstone of the provincial Department of Health's policy. It emanates from the Provincial Health Plan (1994) and was approved by the Provincial Cabinet in March 2003. The technical model, which forms the basis of Healthcare 2010, is based upon a set of inter-related variables, namely population size, utilization rates, patient activities and the financial envelope.

The framework for the implementation of Healthcare 2010 has been developed in the course of the 2004/05 financial year. These include a comprehensive service and bed plan to provide the blueprint for the required reshaping of services at all levels. The service plan is also linked to the generic staffing models to facilitate the provision of the optimal number and skill mix of personnel at each level of care.

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

Other significant policy changes include the implementation of the staff performance management system, which it is hoped will lead to improved staff morale and outputs and in turn to improved health outcomes.

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

Following the National and Provincial elections in May 2004 the newly installed Cabinet embarked on a drive to improve service delivery in the short term and this was embodied in the "100-day deposits" and further in a set of April 2005 deliverables. These were intended as high impact initiatives to kick-start a campaign to improve service delivery to communities. The Health Department's initial series of deposits revolved around the strengthening of management structures at PHC facilities, adequate and timely availability of medicines for patients with chronic conditions, improving the flow of patients in facilities and providing anti-retroviral therapy for 6 000 patients with HIV. All of the targets were achieved.

The second round of targets aimed at consolidating the achievements through the appointment of additional managers and health professionals, the uninterrupted supply of medicines and improving the information technology infrastructure at the major community health centres. Once again all the objectives were reached.

The decision to proceed with the provincialisation of the non-Metro Personal Primary Health Care services previously provided by Local Government following the provision of additional funding for this purpose by the National Treasury.

Quality of Care was monitored at provincial health facilities, by means of the complaints and compliments mechanism. Waiting time surveys were conducted at all major community health centres in the Metro.

**DEPARTMENT OF HEALTH
VOTE 6**

**ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005**

The comprehensive programme for the care, management and treatment of people living with HIV and AIDS (and the anti-retroviral therapy programme in particular) was appreciably strengthened through the Global Fund. Funding amounting to R29 million was received from this Fund which significantly increased the allocation for combating the AIDS epidemic. The Province also introduced the dual therapy Prevention from Mother to Child Transmission regimen across the province in May 2004.

During 2004 there were three outbreaks of measles affecting the Hout Bay (27 cases), Fish Hoek (7 cases) and Claremont (3 cases) areas respectively. The outbreaks were quickly contained, immunisation coverage was improved and no fatalities were registered.

Safety at facilities remains a problem and the invasion of facilities by gangs and other criminal elements resulted in the tragic deaths of a nursing assistant and a prison warder at the Khayelitsha Day Hospital and Groote Schuur Hospitals respectively. The Department has taken significant steps to improve security.

Imbizos: The MEC for Health and the Head Of Health attended a number of Imbizos throughout the Province with the Provincial Cabinet. At the imbizos Government engaged with communities and community leaders to hear complaints about service delivery and identify needs. A total of 12 imbizos were organized during 2004/05.

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

Conradie Hospital was closed finally after relocating the functions to the newly constructed Western Cape Rehabilitation Centre.

Nelspoort Hospital has been downscaled but a section of the hospital that is still in use is being renovated.

The Hospital Revitalisation Projects at George, Worcester and Vredenburg are progressing well. The Revitalisation project at Paarl Hospital should commence during 2005.

The “100-day deposits” as described above.

In the 2003/04 financial year a programme to replace defective and obsolete equipment was started. The programme has been assisted by contributions from the Hospital Revitalisation Project as well as donations (Red Cross Children's Hospital). The need for new and replacement equipment is such that this programme will be on-going for some years.

During 2004 the Department established a joint Workgroup with the Universities and clinicians to align tertiary services with the available financial resources within the framework of Healthcare 2010.

- **Spending Trends**

The Department has spent an amount of R4,880,735 million on a budget of R4,878,343 million which constitutes an over-expenditure of R2,392 million. The over-expenditure is not regarded as being significant or material given the business of the Department.

**DEPARTMENT OF HEALTH
VOTE 6**

**ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005**

Actual Expenses spent per programme – Rm

1 Administration	213	4%
2 District health services	1,330	27%
3 Emergency medical services	198	4%
4 Provincial hospital services	1,177	24%
5 Central hospital services	1,806	37%
6 Health sciences and training	74	2%
7 Health care support services	83	2%
	<u>4,881</u>	<u>100%</u>



Programme 1 incorporates the Provincial Minister, Head Office and Regional Management.

Programme 2 incorporates Primary Health Care Services and District Hospital Services.

Programme 3 incorporates pre-hospital Emergency Medical Services and inter-hospital transfers.

Programme 4 incorporates general specialist, psychiatric, TB and Chronic hospitals.

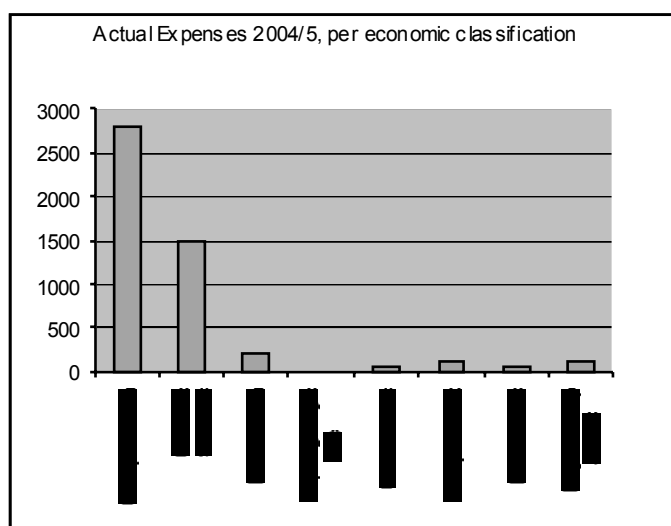
Programme 5 incorporates the three central hospitals.

Programme 6 incorporates training of nurses and ambulance personnel.

Programme 7 incorporates Orthotic and Prosthetic Services, Forensic Pathology Services, Minor Building Maintenance, Engineering Installations and the Central Medical Depot.

Amounts spent per Standard Chart of Accounts – Rm

Compensation	2,799	57%
Goods & Services	1,508	31%
Prov & Mun	228	5%
Dept Agency & Acc	6	0%
Univ & Techs	57	1%
Non-profit Inst	141	3%
Households	36	1%
Pay m for cap assets	106	2%
	<u>4,881</u>	<u>100%</u>



Being a service delivery department, expenditure on compensation to employees overall comprises 57%. Goods and Services is mainly municipal services, medical and surgical requisites, blood, pharmaceuticals and Agency Staff, which includes the use of nurses via Agencies to augment nursing staff shortages. Transfer payments & Subsidies are made to municipalities and other institutions, particularly for Primary Health Care.

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for the year ended 31 March 2005**

- **Reasons of over-expenditure**

The Department was under severe pressure at the beginning of the financial year when an over-expenditure in the region of R100 million was projected. The Adjustments Estimates provided much relief to stabilise the expenditure for the financial year which resulted in the Department virtually balancing the budget with over expenditure of R2,392 million.

- **Impact on Programmes and Service Delivery**

After virements had been applied over-expenditure has been recorded in Programme 2: District Health Services and Programme 3: Emergency Medical Services. The over-expenditure can mainly be attributed to the pressure on Primary Health Care Services. Expenditure on Aids Relief has also been significantly higher as a result of the Department's attempts to address this epidemic.

- **Actions planned to avoid a re-occurrence.**

The response times on BAS and the consequent lack of management information was the main cause for the uneven expenditure trends during the financial year. It is hoped that the BAS will function at improved levels in the coming year.

Problems with the Medsas interface also resulted in an increase in Goods and Services expenditure towards the end of the financial year as a result of the difficulty to project pharmaceutical expenditure accurately.

The Department is also currently embarking on a project to manage and account for Personnel expenditure in the form of agreements with Institutional Management to coordinate the employment of staff.

2. Service rendered by the department

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

2.2 Tariff Policy

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

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

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

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These sundry tariffs apply to:

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

2.3 Free Services

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

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

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

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2.4 Inventories

Institutions	INVENTORY GROUPS								Total
	Stationery	Provisions	Med & surg.	Pharm	Clean/chem	Engin.	Maint.	Other	
Head Office	133	0	0	0	0	0	0	0	133
Boland	278	94	1,686	2,153	119	0	11	152	4,493
Metropole	1,335	493	8,426	5,225	1,017	177	23	1,073	17,769
West Coast	429	91	1,836	1,155	149	0	43	115	3,818
Southern Cape	503	141	1,933	0	118	30	111	398	3,234
APH	447	315	486	1,375	410	0	3	1,661	4,697
Tygerberg	198	477	2,272	4,921	994	218	211	2,856	12,147
Groote Schuur	646	590	7,494	9,145	115	42	0	198	18,230
Red Cross	163	220	914	1,901	149	0	53	0	3,400
Engineering	105	2	719	7	56	0	1,765	14	2,668
CHSO	3,499	85	1,869	536	210	297	0	0	6,496
EMS	0	0	0	0	0	0	0	0	0
Dental Hospitals	67	0	767	0	58	0	315	133	1,340
WCCN	8	2	0	0	6	2	0	0	18
TOTALS	7,811	2,510	28,402	26,418	3,401	766	2,535	6,600	78,443

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

3. Capacity constraints

A significant constraint facing the health services is an ongoing inability to recruit personnel for critical posts. Despite the introduction of the scarce skills and rural allowances it remains difficult to recruit and retain well qualified and experienced staff, particularly nurses, many of whom seek the better financial rewards offered overseas or in the private sector.

The Basic Accounting System (BAS) was introduced in 2004/05 and together with LOGIS created significant problems and at times delayed the procurement of goods and services significantly. Whilst the initial problems have been addressed some problems have continued in certain areas.

The change to BAS and the new item classification, i.e. the Standard Chart of Accounts (Scoa) resulted in an accounting backlog which meant that the Department could only make financial projections some months into the 2004/05 financial year.

4. Utilisation of donor funds

The following donor funding was received by the Department in the 2004/2005 financial year

European Union Funds (Home Based Care)	R 8,502 million
Global Funding (HIV/Aids prevention)	R29,403 million

Donor funding received from the European Union has been accounted in Donor Accounts within the financial system of the Department.

**DEPARTMENT OF HEALTH
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As a result of Donor funding not being presented in the Financial Statements during the 2003/2004 financial year the Revenue as per Note 3.1 in the Annual Financial Statements will differ from the amount received as disclosed above.

Global Funding has been incorporated into the main accounting structure of the Department as a separate Sub-programme called Global Funding: Sub-programme 2.10.

5. Trading entities

In terms of the National Treasury Regulations the Cape Medical Depot must be established as a Trading Entity and this conversion has been made from 1 April 2004.

The aim of the Cape Medical Depot Trading Entity is to procure Pharmaceutical and related supplies in bulk from suppliers, thereby keeping lower stock levels and rely on shorter delivery lead times. Better control is exercised over purchases and bulk buying results in lower costs. The Trading Entity charges a levy of 8% on the price of goods purchased to fund its operational activities.

6. Organisations to whom transfer payments have been made

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

7. Public private partnerships (PPP)

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

Hermanus Provincial Hospital

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

Grassy Park

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

Swellendam

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

Western Cape Rehabilitation Centre

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

**DEPARTMENT OF HEALTH
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for the year ended 31 March 2005**

Forensic Psychiatric Services PPP

The Private Party will design, construct, finance and operate certain wards at the Forensic Campus, as well as render facilities management services at the Forensic Psychiatric Wards at the Valkenberg Hospital.

8. Corporate governance arrangements

The Sihluma Sonke Consortium, appointed by the Provincial Treasury to perform a Risk Assessment and provide Internal Audit Capacity to the Department, in conjunction with officials of the Department identified the risks faced by the Department. The weaknesses in the controls of the Department were also identified by means of process and control mapping.

The Consortium is currently in the process of compiling and issuing their findings. Up to the 31 March 2005 reports have been issued addressing issues regarding Control Management, Procurement and Tendering, Admissions and Asset Management.

The Departmental Audit Committee consisting of 5 members under the Chairperson, Dr T Sutcliffe, has been functioning for a full financial year.

9. Discontinued activities/activities to be discontinued

In some Districts the Department of Health is no longer funding the payment for the medical treatment of prisoners and the responsibility for these services has been taken over by the Department of Correctional Services. The transfer of these responsibilities is currently being negotiated in all rural regions.

10. New/proposed activities

The provincialisation of personal primary health care services in the non-Metropolitan areas. An allocation of R65,850 million was made for the funding of personal primary health care in the rural districts for the 2005/06 financial year.

The roll-out of the anti-retroviral programme has progressed well and a higher number of facilities have been accredited than was originally envisaged. Currently the service is being rendered at 16 sites and 6 000 people have been enrolled for treatment. The Global Fund contribution for 2004/05 was R29 million and the total budget for the HIV and AIDS programme increased to R90,110 million in 2004/05 from R40,130 million in 2003/04.

The responsibility for the delivery of clinical forensic services will be transferred to the Provincial Health Department. A comprehensive plan for the improvement of Clinical Forensic services was developed in September 2004 following an audit of available facilities.

The European Union funded Partnership for the Development of Primary Health Care entered the second cycle of funding. An infrastructure has been created to drive the programme through the appointment of technical assistants at Provincial, Regional and District level. Homecare workers have been deployed in all districts and in some sub-districts. The expenditure for this programme amounted to R10,9 million in 2004/05.

**DEPARTMENT OF HEALTH
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**ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005**

11. Events after the reporting date

No material events.

12. Performance information

The Department participates in the quarterly Early Warning System of the National Department of Health in which performance against selected indicators is reported.

Programme performance is also monitored quarterly by an Internal Monitoring and Evaluation Committee where Programme Managers report on the performance of the respective programmes against the set of indicators in the Strategic Plan,

Financial monitoring is done by means of the monthly in- year monitoring.

Health Information System: The Hospital Information System (HIS) has been implemented in the Central Hospitals and it is being rolled out to pilot sites in the regions. The DHIS (District Health Information System) forms the backbone of the information network at District level. A web-based system, Sinjani, has been implemented in the Southern Cape/Karoo Region and the West Coast Winelands Region with effect from 1 April 2005. This system will allow managers access to human resource and financial data as well as monitor the demand and outputs at facility and district level.

13. SCOPA resolutions

Reference to previous audit report and SCOPA resolutions	Subject	Findings on progress
Page 47 point 2.1	<u>Unauthorised Expenditure 2003/2004</u> Financial statements reflect that the budget of Programme 3, 4 and 5 were exceeded by R672 000, R278 000 and R19,6 million respectively.	The unauthorised expenditure be referred to the Provincial Legislature for authorisation.
Page 48 point 2.2	Unauthorised expenditure regarding previous provincial structures prior to 1995.	Recommendation is that the department in conjunction with the Provincial Treasury again make urgent representation to the National Treasury to expedite the matter.

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**ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2005**

14. Other

The Department of Health migrated from the Financial Management System to the Basic Accounting System on 1 April 2004. Information presented in the Financial Statements has been reported in line with the new Standard Chart of Accounts introduced on 1 April 2004. Information presented in the 2003/04 Annual Financial Statements will therefore differ to the comparative figures used for the 2003/2004 financial year in this report.

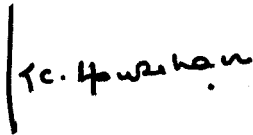
Information pertaining on the Cape Medical Depot has been removed from the Trial Balance. Separate Annual Financial Statements has been compiled on the activities of the Cape Medical Depot. The accounting adjustment has been made against the Bank Account effectively overstating the Bank Balance as a result. The same applies to the 2003/2004 comparative information presented.

Related Party Transactions

Information on Related Party Transactions has not been disclosed in the Notes to the Annual Financial Statements. The Office of the Auditor General has conducted an investigation into the disclosure information submitted by Senior Management. This Report is being addressed at present and any disclosure would therefore be inappropriate until fully investigated.

Approval

The Annual Financial Statements set out on pages 91 to 135 have been approved by the Accounting Officer.



**PROFESSOR KC HOUSEHAM
ACCOUNTING OFFICER
DATE: 18 August 2005**

**WESTERN CAPE PROVINCE
DEPARTMENT OF HEALTH**

**REPORT OF THE AUDITOR-GENERAL TO THE PROVINCIAL PARLIAMENT OF THE WESTERN CAPE ON
THE FINANCIAL STATEMENTS OF THE WESTERN CAPE DEPARTMENT OF HEALTH (VOTE 6) FOR THE
YEAR ENDED 31 MARCH 2005**

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**REPORT OF THE AUDITOR-GENERAL TO THE PROVINCIAL PARLIAMENT
OF THE WESTERN CAPE ON THE FINANCIAL STATEMENTS
OF THE DEPARTMENT OF HEALTH (VOTE 6)
FOR THE YEAR ENDED 31 MARCH 2005**

1. AUDIT ASSIGNMENT

The financial statements as set out on pages 91 to 135, 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.

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 at 31 March 2005 and the results of its operations and cash flows for the year then ended, in accordance with prescribed accounting practice and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999).

4. EMPHASIS OF MATTER

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

4.1 Unauthorised expenditure

Unauthorised expenditure relates to the overspending of a vote or main division within a vote. The department has overspent on programmes 2 and 3 by R16,9 million and R2,2 million, respectively, after applying virement rules as defined by section 43 of the PFMA.

Furthermore the net over-expenditure of the department amounted to R2,4 million.

4.2 Compensation of employees

4.2.1 Commuted Overtime

Commuted overtime paid by the department during the financial year under review amounted to R144,7 million compared to R126,6 million in the prior financial year, representing a 14 per cent increase. Notwithstanding the prior year audit findings and the envisaged corrective steps indicated, the following internal control weaknesses occurred:

(a) Control over commuted overtime

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

- (i) Commuted overtime payments were not reduced by leave periods taken, which resulted in overpayments being made.
- (ii) The application of incorrect annual salary adjustments to the commuted overtime rate resulted in over and underpayments.

(b) Commuted overtime contracts

Commuted overtime contracts were not in all instances reviewed on an annual basis to confirm the necessity of hours required. Furthermore, commuted overtime contracts could not always be submitted for audit purposes and uncertainty exists whether the proper internal checking and control was performed in the absence of contracts.

4.2.2 Normal overtime

- (a) Payments in respect of normal overtime amounted to R80,4 million for the financial year. A PERSAL exception report indicated that R31,7 million, in respect of overtime payments made, represented 39 per cent of employees receiving overtime payments in excess of 30 per cent or more of their basic salaries, which is in contravention of paragraph 5.6 of the Collective Agreement Compensation for Overtime, P6 of 2002.

The budgeted overtime expense for the financial year amounted to R207,4 million compared to the actual expenditure incurred amounting to R223,8 million, resulting in overtime expenditure exceeding the budget by R16,4 million (7.91%).

Overtime constituting 30 per cent and more of salaries have increased significantly over the past three financial years as detailed below:

Period	Value (R)	Number of transactions	% Increase in overtime value from prior year
2002-2003	14,6 million	5 676	
2003-2004	17,2 million	6 580	17.86%
2004 – 2005	31,7 million	11 798	84.30%

(b) Overtime while on leave

A PERSAL exception report revealed that in 1 719 instances, overtime amounting to R756 365 was paid to officials whilst they were on leave, contrary to prescripts of the Staff Code and the Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997).

(c) Effect of excessive overtime

As referred to in paragraph 4.2.2 (a) above, excessive normal overtime payments were made which indicates that the department has serious medical staff shortages. This situation could lead to a reduction in the standard of health care delivered, which could increase the department's liability in respect of medical claims. In this regard it was noted that medico legal claims increased from R68,7 million in the prior year to R97,1 million, representing a 41 per cent increase. The number of active medical malpractice claims increased from 50 to 71 cases representing an increase of 42 per cent.

4.2.3 Scarce skills allowance

In certain instances the allowance was incorrectly calculated in accordance with the annual salary notch agreed between the relevant parties in terms of Resolution No. 01 of 2004. Furthermore, the scarce skill allowance was not in all instances calculated based on the basic salary, but on the inclusive 30 per cent, which represents salary allowance. Although an immaterial difference was identified based on tests performed on a sample basis, an audit concern exists relating to the accuracy of the entire population of the scarce skills allowance.

4.2.4 Sessional allowances

The following control weaknesses in administering the sessional allowances paid to medical doctors were revealed:

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

4.2.5 Control over pay sheets

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

4.2.6 Human Resource Management Plan

A Human Resource Management Plan required in terms of Chapter 1, Section III D.1 of the Public Service Regulations, 2001, which specifies the need for and the requirements of a Human Resource Management Plan, has not been developed.

4.3 Inventory value at year-end
(page 78 of the management report)

Due to the lack of a formal documented plan/policy to conduct, co-ordinate and communicate the year-end inventory count process of the department, the following internal control weaknesses were identified:

- Inventory balances submitted by hospitals and institutions contained various misstatements;

- The finalised authorised inventory reports (after the inventory counts), together with the detailed supporting documentation, were not in all instances submitted to audit for final verification of the inventory balances;
- Inadequate year-end inventory count processes were followed by hospitals and institutions; and
- Planned inventory count attendance by auditors did not materialise due to inadequate logistical planning and communication between head office and the affected hospitals and institutions.

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

4.4 Non-compliance with laws and regulations

4.4.1 Transfer payments

- (a) Service level agreements between the department and various recipients, including municipalities, could not be provided for audit purposes. Uncertainty exists whether regular reporting and monitoring procedures, required in terms of section 8.4.1 (a) & (c) of the Treasury Regulations, were effectively performed by the relevant officials, in the absence of adequate service level agreements.
- (b) Audited financial statements of various recipients, including municipalities for the 2003/04 financial year have not been submitted to the department, as per section 8.4.1 (b) of the Treasury Regulations. It is therefore uncertain whether the accounting officer satisfied the requirement of ensuring that funds previously transferred were utilised for intended purposes, as required by section 8.4.1 of the Treasury Regulations, prior to or soon after the transfer of moneys in respect of the 2004/05 financial year's allocation.

Furthermore, funds were transferred to these recipients in the absence of audited financial statements, contravening sections 3.2.2.12 and 3.2.1.10 of the department's finance instructions G60/2001 and G48/2001, respectively.

4.4.2 Conditional grants

An audit review was performed on the conditional grant requirements of the Division of Revenue Act relating to the Hospital Revitalisation Grant and the HIV/AIDS Grant. Detailed below are the weaknesses noted:

- (a) Hospital Revitalisation Conditional Grant
 - (i) The Integrated Health Planning Framework has not been implemented for the 2004/05 financial year.
 - (ii) Annual Project Implementation Plans for Eben Donges, Vredenburg and George hospitals were submitted after the 28 February 2004 deadline, contrary to the requirements of the Act.
 - (iii) The project implementation plan administered by the Department of Transport and Public Works relating to the Vredenburg hospital for the 2004/05 financial year indicated that the projected costs for the construction of a new main building, general repairs and refurbishment to the existing old hospital, were estimated at R36, 9 million. The anticipated completion date is 7 December 2005.

The new main building is approximately 70 per cent complete, with the adjoining parking lot approximately 50 per cent complete. Actual construction costs incurred as at 31 March 2005 amounted to R29,1 million. General repairs and refurbishment to the existing old hospital has not commenced as at 9 June 2005. Consequently a concern exists that there is no provision for the costs to be incurred for the general repairs and refurbishment to the existing hospital.

(b) HIV/AIDS Conditional Grant

- (i) The HIV/AIDS business plan for the 2004/05 financial year does not contain measurable objectives and outputs with regard to increasing the number of non medical sites in high priority areas by March 2005, increasing the number of category 3 clients enrolled for Community Home Based Care and increasing the number of Community Home Based Care workers in prioritised areas of greatest need by March 2005.
- (ii) The business plan for HIV/AIDS does not address plans/programmes to achieve outputs for the number of home based care teams in operation as well as the caseload and the number of patient contacts.
- (iii) Monthly reports approved by the accounting officer are not submitted to the National Department of Health within 15 days of the reporting month end as required in terms of paragraph 16(1)(a) of the Division of Revenue Act, 2004 (Act No. 5 of 2004).

4.5 Asset management

An evaluation of the department's asset management identified the following control weaknesses:

- Asset registers were not updated to reflect purchases, disposals and transfers of assets;
- Assets are not uniquely marked to facilitate an adequate verification process;
- Asset counts were not performed at certain hospitals visited; and
- A formal maintenance and repairs policy for medical equipment does not exist at various hospitals.

4.6 General control environment weaknesses

- A reconciliation between the invoices certified by the recipients of services from the Western Province Transfusion Services and National Health Laboratory Services and the statements submitted by these service providers was not always performed at Somerset and GF Jooste hospitals. Consequently uncertainty exists over the validity, accuracy and completeness of the sample of expenditure amounting to R6, 2 million.
- Various internal control weaknesses were identified relating to the administration of contracts, which include *inter alia*, a contractor paid for a period not contracted for; payments made not agreeing to contract prices; no contract with the supplier for services paid; payments were not made in accordance with approved tender prices.
- A review of the usage of government vehicles and the related costs incurred indicated a lack of control exercised by the responsible officials with regard to the trip authorities, logbook and transaction reports;
- Incorrect allocation of expenses between hospitals due to transfers and records not been updated timeously.
- Supporting documentation for payments made was not always stamped paid.
- Invoices were not always paid within the 30 day payment period required by the Treasury Regulations, which could result in interest and penalties accruing.

4.7 Receivables

4.7.1 Hospital fee debtors

Staff at hospital or institutional level, utilising the HIS system to administer hospital fees, are not always able to access management reports, including age analysis reports, from HIS to exercise adequate monitoring, review and recovery functions of debtor's balances.

Financial information extracted from HIS indicates that the approximate value of debtors aged over 366 days amounts to R160 million, which represents 47 per cent of the total hospital fee debtors recorded on HIS (R338 million as at 31 March 2005).

It would therefore appear that the lack of access to HIS by staff at hospital or institutional level to effectively monitor debtor balances contributed to the increased level of debtors outstanding over 366 days reflected above.

4.7.2 Staff debt

The debtor's system is unable to generate a debtor's age analysis report, which impedes the follow-up and recovery of staff debt.

Staff debt has increased from R11,1 million in the prior year to R14 million in the current financial year, representing an increase of 26 per cent.

Furthermore, note 12 of the financial statements indicates that the staff debt, amounting to R11,2 million is older than 1 year.

The lack of debtors ageing reports and the consequent lack of follow-up of debtors' balances contributed to the increase of staff debt.

4.8 Non-compliance with the National Treasury guide for preparation of financial statements

4.8.1 Foreign donor funds received from the Global Funding (HIV/AIDS prevention) amounting to R29,4 million was not accounted for as local and foreign aid assistance but included in programme 2 of the department's adjusted appropriation.

4.8.2 Related party disclosure has not been included in the financial statements as required. The accounting officer has indicated the reasons for the non-disclosure on page 82 of the management report.

4.9 Matters for public interest - HIV/AIDS Programme

A follow-up audit performed on the HIV/AIDS programme during the financial year under review revealed the following:

4.9.1 Monitoring and evaluation

Departmental quarterly monitoring and evaluation reports for District Health Services did not include information on voluntary counselling and testing (VCT) and prevention of mother to child transmission (PMTCT). However, achievement of certain performance targets were reported at quarterly internal management meetings. Due to the fact that the national monitoring and evaluation framework for the implementation of the National Comprehensive Plan was not standardised and uniformly implemented across the country, no standardised quarterly performance reviews took place during the financial year under review.

4.9.2 VCT and other related services.

Community Health Care Centre's (CHCC's) were visited during the audit and the following observations were made in respect of VCT and other related services:

- There was a shortage of consultation rooms for private counselling;
- Counsellors were not appropriately allocated to the different CHCC's;
- There was a general lack of promotional material in respect of VCT services and HIV/AIDS; and
- Provision, placement and stocking of condom dispensers were not satisfactory.

4.9.3 Anti-retroviral (ARV) Clinics

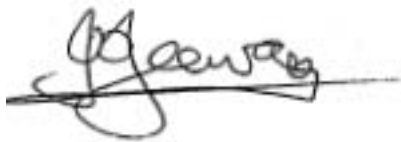
It was found that the accommodation and resources at the ARV clinics were not sufficient and the ARV adherence counsellors were under utilised and inappropriately allocated to the clinics.

4.10 Re-submission of financial statements

The accounting officer submitted financial statements on 31 May 2005 as prescribed by section 40(1) (c) of the Public Finance and Management Act, 1999 (Act No. 1 of 1999). The department had not disallowed unauthorised expenditure, as defined in section 1 of the PFMA and consequently the Auditor-General issued a qualified audit report on 31 July 2005. The accounting officer retracted the financial statements on 15 August 2005 in order to disallow the unauthorised expenditure in the accounting records and rectify the financial statements in this regard. The financial statements were subsequently re-submitted on 18 August 2005.

5. APPRECIATION

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



I Jeewa for Auditor- General

Cape Town

30 August 2005



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

**DEPARTMENT OF HEALTH
VOTE 6**

**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.

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.

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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.

Financial transactions in assets and liabilities

Repayments of loans and advances previously extended to employees and public corporations for policy purposes are recognised as revenue in the statement of financial performance on receipt of the funds.

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

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.

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.

**DEPARTMENT OF HEALTH
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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.

Interest and rent on land

Interest and rental payments resulting from the use of land, are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system. This item excludes rental on the use of buildings or other fixed structures.

Financial transactions in assets and liabilities

Financial transactions in assets and liabilities include bad debts written off. Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or underspending available to the department. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts.

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.

**DEPARTMENT OF HEALTH
VOTE 6**

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

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.

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. Investments

Investments include; Investments in Associates; Joint ventures; Investments in controlled entities and Other investments.

Investments are shown at cost. On disposal of an investment, the surplus/(deficit) is recognised as revenue in the Statement of Financial Performance.

7. 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.

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**ACCOUNTING POLICIES
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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.

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

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ACCOUNTING POLICIES
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Contingent liabilities are not recognised in the Statement of Financial position, but the information is disclosed as part of the disclosure notes.

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. Capitalisation reserve

The capitalisation reserve represents an amount equal to the value of the investment and/or loans capitalised. On disposal, repayment or recovery, such amounts are transferred to the Revenue Fund.

15. 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.

16. 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 Statements, as this would involve reclassification of amounts dating back to the 2002/03 year-end.

Western Cape - Department of Health

Appropriation Statement for the year ended 31 March 2005

Appropriation per Programme									
	2004/05							2003/04	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
1. Administration									
Current payment	161,922	-	(6,086)	155,836	153,986	1,850	98.8%	171,948	164,325
Transfers and subsidies	8,217	-	136	8,353	6,029	2,324	72.2%	7,709	8,251
Expenditure for capital assets	51,720	-	1,610	53,330	53,301	29	99.9%	44,907	43,069
2. District Health Services									
Current payment	1,037,303	-	2,374	1,039,677	1,054,957	(15,280)	101.5%	908,285	915,675
Transfers and subsidies	264,573	-	1,326	265,899	263,460	2,439	99.1%	262,423	250,875
Expenditure for capital assets	15,586	-	(2,380)	13,206	11,980	1,226	90.7%	13,392	8,642
3. Emergency Medical Services									
Current payment	153,975	-	(76)	153,899	153,329	570	99.6%	131,603	124,399
Transfers and subsidies	38,938	-	76	39,014	41,281	(2,267)	105.8%	41,982	49,858
Expenditure for capital assets	12,128	-	(5,800)	6,328	3,560	2,768	56.3%	12,110	11,438
4. Provincial Hospital Services									
Current payment	1,099,379	-	734	1,100,113	1,097,895	2,218	99.8%	915,682	915,203
Transfers and subsidies	68,785	-	2,166	70,951	72,379	(1,428)	102.0%	129,093	129,850
Expenditure for capital assets	8,036	-	(1,600)	6,436	6,367	69	98.9%	8,273	7,995
5. Central Hospital Services									
Current payment	1,731,451	-	2,884	1,734,335	1,727,421	6,914	99.6%	1,525,438	1,549,475
Transfers and subsidies	44,113	-	1,116	45,229	49,243	(4,014)	108.9%	43,829	39,425
Expenditure for capital assets	16,225	-	10,330	26,555	29,254	(2,699)	110.2%	22,136	18,189
6. Health Sciences and Training									
Current payment	44,675	-	(20)	44,655	42,801	1,854	95.8%	51,939	51,269
Transfers and subsidies	29,821	-	20	29,841	30,331	(490)	101.6%	20,005	19,347
Expenditure for capital assets	562	-	(140)	422	409	13	96.9%	535	500
7. Health Care Support Services									
Current payment	85,837	-	(6,735)	79,102	77,611	1,491	98.1%	72,255	70,842
Transfers and subsidies	4,194	-	235	4,429	4,426	3	99.9%	2,139	2,114
Expenditure for capital assets	903	-	(170)	733	715	18	97.5%	909	881
Subtotal	4,878,343	-	-	4,878,343	4,880,735	(2,392)	100.0%	4,386,592	4,381,622
Total	4,878,343	-	-	4,878,343	4,880,735	(2,392)	100.0%	4,386,592	4,381,622
Reconciliation with Statement of Financial Performance									
Prior year unauthorised expenditure approved with funding				-				2,250	
Departmental receipts				33,005				10,750	
Local and foreign aid assistance				13,853				-	
Actual amounts per Statement of Financial Performance (Total Revenue)				4,925,201				4,399,592	
Local and foreign aid assistance					9,253				2,250
Actual amounts per Statement of Financial Performance Expenditure					4,889,988				4,383,872

APPROPRIATION STATEMENT for the year ended 31 March 2005

Appropriation Economic classification									
	2004/05							2003/04	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments									
Compensation to employees	2,880,511	-	(73,239)	2,807,272	2,799,467	7,805	99.7%	2,469,931	2,446,196
Goods and services	1,434,031	-	65,824	1,499,855	1,508,050	(8,195)	100.5%	1,305,317	1,343,090
Financial transactions in assets and liabilities	-	-	490	490	483	7	98.6%	1,902	1,902
Transfers & subsidies									
Provinces & municipalities	231,094	-	849	231,943	228,132	3,811	98.4%	208,773	213,359
Departmental agencies & accounts	5,678	-	-	5,678	5,976	(298)	105.2%	7,318	4,000
Universities & technikons	53,420	-	-	53,420	56,979	(3,559)	106.7%	44,003	42,245
Non-profit institutions	134,900	-	224	135,124	140,533	(5,409)	104.0%	218,308	211,043
Households	33,500	-	3,973	37,473	35,489	1,984	94.7%	28,760	29,054
Gifts and donations	49	-	29	78	40	38	51.3%	18	18
Payment on capital assets									
Machinery & equipment	105,160	-	1,698	106,858	105,436	1,422	98.7%	102,262	90,715
Software & other intangible assets	-	-	152	152	150	2	98.7%	-	-
Total	4,878,343	-	-	4,878,343	4,880,735	(2,392)	100.0%	4,386,592	4,381,622

**Detail per programme 1 - Administration
for the year ended 31 March 2005**

Programme per subprogramme	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Office of the Minister									
Current payment	3,102		(1)	3,101	2,871	230	92.6%	2,784	2,729
Transfers and subsidies	4		5	9	8	1	88.9%	4	4
Expenditure for capital assets	467			467	457	10	97.9%	35	11
1.2 Management									
Current payment	158,820		(6,085)	152,735	151,115	1,620	98.9%	169,164	161,596
Transfers and subsidies	8,213		131	8,344	6,021	2,323	72.2%	7,705	8,247
Expenditure for capital assets	51,253		1,610	52,863	52,844	19	100.0%	44,872	43,058
Total	221,859	-	(4,340)	217,519	213,316	4,203	98.1%	224,564	215,645

Economic classification	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation to employees	105,721		(4,777)	100,944	100,869	75	99.9%	89,205	86,974
Goods and services	56,201		(1,357)	54,844	53,071	1,773	96.8%	80,841	75,449
Financial transactions in assets and liabilities			48	48	46	2	95.8%	1,902	1,902
Transfers & subsidies									
Provinces & municipalities	233		18	251	250	1	99.6%	237	215
Universities & technikons	2,220			2,220	2,150	70	96.8%	2,000	2,000
Households	5,715		89	5,804	3,589	2,215	61.8%	5,454	6,018
Gifts and donations	49		29	78	40	38	51.3%	18	18
Payment on capital assets									
Machinery & equipment	51,720		1,596	53,316	53,288	28	99.9%	44,907	43,069
Software & other intangible assets			14	14	13	1	92.9%		
Total	221,859	-	(4,340)	217,519	213,316	4,203	98.1%	224,564	215,645

**Detail per programme 2 - District Health Services
for the year ended 31 March 2005**

Programme per subprogramme	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 District Management									
Current payment	22,275			22,275	26,208	(3,933)	117.7%	23,452	31,890
Transfers and subsidies	70		60	130	117	13	90.0%	38	165
Expenditure for capital assets	33		625	658	658	-	100.0%	231	901
2.2 Community Health Clinics									
Current payment	95,439		(146)	95,293	91,409	3,884	95.9%	104,961	104,882
Transfers and subsidies	173,071		86	173,157	173,083	74	100.0%	163,120	159,996
Expenditure for capital assets	71		513	584	584	-	100.0%	68	
2.3 Community Health Centres									
Current payment	430,732		3,296	434,028	437,118	(3,090)	100.7%	374,967	379,283
Transfers and subsidies	3,040		404	3,444	3,443	1	100.0%	3,314	3,245
Expenditure for capital assets	3,002		(1,678)	1,324	1,324	-	100.0%	3,519	2,291
2.4 Community Based Services									
Current payment	23,240			23,240	26,469	(3,229)	113.9%	24,008	23,297
Transfers and subsidies	9,462			9,462	10,068	(606)	106.4%	10,395	10,100
Expenditure for capital assets	131		(104)	27	17	10	63.0%	124	46
2.5 Other Community Services									
Current payment	47,816		(4)	47,812	45,960	1,852	96.1%	40,562	42,776
Transfers and subsidies	232		4	236	26	210	11.0%	287	266
Expenditure for capital assets	1,682		(200)	1,482	1,473	9	99.4%	1,601	485
2.6 HIV and AIDS									
Current payment	53,442		(7)	53,435	59,422	(5,987)	111.2%	28,892	17,050
Transfers and subsidies	35,943		7	35,950	34,717	1,233	96.6%	25,096	20,923
Expenditure for capital assets	734			734	255	479	34.7%	394	173
2.7 Nutrition									
Current payment	8,617			8,617	8,309	308	96.4%	7,086	6,997
Transfers and subsidies	7,561			7,561	6,954	607	92.0%	40,621	36,198
Expenditure for capital assets	333			333	179	154	53.8%	385	207
2.8 Coroner Services									
Current payment	709		(2)	707	564	143	79.8%	450	249
Transfers and subsidies			2	2	1	1	50.0%	1	1
Expenditure for capital assets	215		64	279	278	1	99.6%	550	54
2.9 District Hospitals									
Current payment	344,658		(763)	343,895	350,210	(6,315)	101.8%	303,907	309,251
Transfers and subsidies	20,545		763	21,308	21,962	(654)	103.1%	19,551	19,981
Expenditure for capital assets	6,105		(1,600)	4,505	4,477	28	99.4%	6,520	4,485
2.10 Global Fund									
Current payment	10,375			10,375	9,288	1,087	89.5%		
Transfers and subsidies	14,649			14,649	13,089	1,560	89.4%		
Expenditure for capital assets	3,280			3,280	2,735	545	83.4%		
Total	1,317,462	-	1,320	1,318,782	1,330,397	(11,615)	100.9%	1,184,100	1,175,192

Economic classification	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current									
Compensation to employees	633,029		(21,086)	611,943	615,784	(3,841)	100.6%	538,644	536,617
Goods and services	404,274		23,427	427,701	439,142	(11,441)	102.7%	369,641	379,058
Financial transactions in assets and liabilities			33	33	31	2	93.9%		
Transfers & subsidies									
Provinces & municipalities	187,185		169	187,354	185,497	1,857	99.0%	166,897	167,886
Universities & technikons	2,461			2,461	2,461	-	100.0%	2,342	2,342
Non-profit institutions	74,927			74,927	74,347	580	99.2%	92,105	79,219
Households			1,157	1,157	1,155	2	99.8%	1,079	1,427
Capital									
Machinery & equipment	15,586		(2,511)	13,075	11,850	1,225	90.6%	13,392	8,643
Software & other intangible assets			131	131	130	1	99.2%		
Total	1,317,462	-	1,320	1,318,782	1,330,397	(11,615)	100.9%	1,184,100	1,175,192

**Detail per programme 3 - Emergency Medical Services
for the year ended 31 March 2005**

Programme per subprogramme	2004/05							2003/04	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
3.1 Emergency Transport									
Current payment	153,974		(76)	153,898	153,329	569	99.6%	128,761	123,148
Transfers and subsidies	38,938		76	39,014	41,281	(2,267)	105.8%	41,982	49,855
Expenditure for capital assets	12,128		(5,800)	6,328	3,560	2,768	56.3%	12,110	11,438
3.2 Planned Patient Transport									
Current payment	1			1	1	0	0.0%	2,842	1,251
Transfers and subsidies				-	-	-	0.0%		3
Total	205,041	-	(5,800)	199,241	198,170	1,071	99.5%	185,695	185,695

Economic classification	2004/05							2003/04	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current									
Compensation to employees	116,042		(1,660)	114,382	113,814	568	99.5%	83,751	79,339
Goods and services	37,933		1,326	39,259	39,258	1	100.0%	47,852	45,060
Financial transactions in assets and liabilities			258	258	257	1	99.6%		
Transfers & subsidies									
Provinces & municipalities	34,499		76	34,575	32,585	1,990	94.2%	36,985	40,685
Non-profit institutions	4,439			4,439	8,696	(4,257)	195.9%	4,982	9,163
Households				-	-	-	0.0%	15	10
Capital									
Machinery & equipment	12,128		(5,800)	6,328	3,560	2,768	56.3%	12,110	11,438
Total	205,041	-	(5,800)	199,241	198,170	1,071	99.5%	185,695	185,695

**Detail per programme 4 - Provincial Hospital Services
for the year ended 31 March 2005**

Programme per subprogramme	2004/05							2003/04	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
4.1 General Hospitals									
Current payment	744,853		(477)	744,376	744,289	87	100.0%	592,485	594,009
Transfers and subsidies	1,222		1,277	2,499	2,498	1	100.0%	66,255	66,296
Expenditure for capital assets	5,952		(1,928)	4,024	3,955	69	98.3%	5,168	5,084
4.2 TB Hospitals									
Current payment	42,765		1,991	44,756	44,485	271	99.4%	38,366	38,123
Transfers and subsidies	16,925		109	17,034	17,133	(99)	100.6%	16,202	16,043
Expenditure for capital assets	212		219	431	431	-	100.0%	201	103
4.3 Psychiatric/Mental Hospitals									
Current payment	257,000		(640)	256,360	254,419	1,941	99.2%	231,323	231,090
Transfers and subsidies	476		640	1,116	1,115	1	99.9%	1,393	1,066
Expenditure for capital assets	655		21	676	676	-	100.0%	735	634
4.4 Chronic Medical Hospitals									
Current payment	11,308		(65)	11,243	10,126	1,117	90.1%	11,900	10,434
Transfers and subsidies	43,138		65	43,203	44,939	(1,736)	104.0%	41,043	42,670
Expenditure for capital assets	148		52	200	200	-	100.0%	140	124
4.5 Dental Training Hospitals									
Current payment	43,453		(75)	43,378	44,576	(1,198)	102.8%	41,608	41,547
Transfers and subsidies	7,024		75	7,099	6,694	405	94.3%	4,200	3,775
Expenditure for capital assets	1,069		36	1,105	1,105	-	100.0%	2,029	2,050
Total	1,176,200	-	1,300	1,177,500	1,176,641	859	99.9%	1,053,048	1,053,048

Economic classification	2004/05							2003/04	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current									
Compensation to employees	803,787		(23,137)	780,650	776,942	3,708	99.5%	669,179	656,465
Goods and services	295,592		23,826	319,418	320,909	(1,491)	100.5%	246,503	258,738
Financial transactions in assets and liabilities			45	45	44	1	97.8%		
Transfers & subsidies									
Provinces & municipalities	6,326		154	6,480	6,565	(85)	101.3%	1,909	1,858
Universities & Technikon	6,925			6,925	6,539	386	94.4%	4,100	3,682
Non-profit institutions	55,534		224	55,758	57,490	(1,732)	103.1%	121,221	122,661
Households			1,788	1,788	1,785	3	99.8%	1,863	1,649
Capital									
Machinery & equipment	8,036		(1,607)	6,429	6,360	69	98.9%	8,273	7,995
Software & other intangible assets			7	7	7	-	100.0%		
Total	1,176,200	-	1,300	1,177,500	1,176,641	859	99.9%	1,053,048	1,053,048

**Detail per programme 5 - Central Hospital Services
for the year ended 31 March 2005**

Programme per subprogramme	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
5.1 Central Hospital Services									
Current payment	1,731,451		2,884	1,734,335	1,727,421	6,914	99.6%	1,525,438	1,549,475
Transfers and subsidies	44,113		1,116	45,229	49,243	(4,014)	108.9%	43,829	39,425
Expenditure for capital assets	16,225		10,330	26,555	29,254	(2,699)	110.2%	22,136	18,189
Total	1,791,789	-	14,330	1,806,119	1,805,918	201	100.0%	1,591,403	1,607,089

Economic classification	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current									
Compensation to employees	1,146,814		(22,216)	1,124,598	1,117,994	6,604	99.4%	1,008,093	1,006,818
Goods and services	584,637		25,000	609,637	609,327	310	99.9%	517,345	542,657
Financial transactions in assets and liabilities			100	100	100	-	100.0%		
Transfers & subsidies									
Provinces & municipalities	2,599		427	3,026	3,025	1	100.0%	2,455	2,484
Depts/agencies & accounts				-	-	-	0.0%	3,653	346
Universities & Technicons	40,114			40,114	44,129	(4,015)	110.0%	35,561	34,221
Households	1,400		689	2,089	2,089	-	100.0%	2,160	2,374
Capital									
Machinery & equipment	16,225		10,330	26,555	29,254	(2,699)	110.2%	22,136	18,189
Total	1,791,789	-	14,330	1,806,119	1,805,918	201	100.0%	1,591,403	1,607,089

**Detail per programme 6 - Health Sciences and Training
for the year ended 31 March 2005**

Programme per subprogramme	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
6.1 Nursing Training College									
Current payment	39,381		(137)	39,244	38,199	1,045	97.3%	48,148	47,854
Transfers and subsidies	1,857		19	1,876	1,830	46	97.5%	434	673
Expenditure for capital assets	299		(70)	229	222	7	96.9%	285	299
6.2 EMS Training Colleges									
Current payment	2,663		117	2,780	2,557	223	92.0%	2,562	2,387
Transfers and subsidies	4		1	5	4	1	80.0%	12	3
Expenditure for capital assets	263		(70)	193	187	6	96.9%	250	201
6.3 Bursaries									
Current payment	1,176			1,176	895	281	76.1%		
Transfers and subsidies	26,385			26,385	26,624	(239)	100.9%	17,905	17,017
6.4 Primary Health Care Training									
Current payment	1			1		1	0.0%	1	
6.5 Training Other									
Current payment	1,454			1,454	1,150	304	79.1%	1,228	1,028
Transfers and subsidies	1,575			1,575	1,873	(298)	118.9%	1,654	1,654
Total	75,058	-	(140)	74,918	73,541	1,377	98.2%	72,479	71,116

Economic classification	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current									
Compensation to employees	36,276		(20)	36,256	35,776	480	98.7%	44,814	44,343
Goods and services	8,399			8,399	7,025	1,374	83.6%	7,125	6,926
Transfers & subsidies									
Provinces & municipalities	161		1	162	116	46	71.6%	202	144
Depts/agencies & accounts	1,575			1,575	1,873	(298)	118.9%	1,664	1,654
Universities & Technicons	1,700			1,700	1,700	-	100.0%		
Households	26,385		19	26,404	26,642	(238)	100.9%	18,139	17,549
Capital									
Machinery & equipment	562		(140)	422	409	13	96.9%	535	500
Total	75,058	-	(140)	74,918	73,541	1,377	98.2%	72,479	71,116

**Detail per programme 7 - Health Care Support Services
for the year ended 31 March 2005**

Programme per subprogramme	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
7.1 Laundry Services									
Current payment	39,457		(2,502)	36,955	37,298	(343)	100.9%	33,140	32,745
Transfers and subsidies	40		30	70	69	1	98.6%	73	41
Expenditure for capital assets	352		(80)	272	264	8	97.1%	384	370
7.2 Engineering Services									
Current payment	31,873		(4,107)	27,766	26,702	1,064	96.2%	25,363	25,125
Transfers and subsidies	28		79	107	106	1	99.1%	33	43
Expenditure for capital assets	483		(46)	437	435	2	99.5%	460	453
7.3 Forensic Services									
Current payment	6,522		(126)	6,396	6,301	95	98.5%	6,222	5,453
Transfers and subsidies	13		126	139	138	1	99.3%	12	13
Expenditure for capital assets			6	6	6	-	100.0%		
7.4 Orthotic and Prosthetic Services									
Current payment	7,985			7,985	7,310	675	91.5%	7,530	7,519
Transfers and subsidies	10			10	10	-	100.0%	20	17
Expenditure for capital assets	68		(50)	18	10	8	55.6%	65	58
7.5 Medicine Trading Account									
Transfers and subsidies	4,103			4,103	4,103	-	100.0%	2,001	2,000
Total	90,934	-	(6,670)	84,264	82,752	1,512	98.2%	75,303	73,837

Economic classification	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current									
Compensation to employees	38,842		(343)	38,499	38,288	211	99.5%	36,245	35,640
Goods and services	46,995		(6,398)	40,597	39,318	1,279	96.8%	36,010	35,202
Financial transactions in assets and liabilities			6	6	5	1	83.3%		
Transfers & subsidies									
Provinces & municipalities	91		4	95	94	1	98.9%	88	87
Dept agencies & accounts	4,103			4,103	4,103	-	100.0%	2,001	2,000
Households			231	231	229	2	99.1%	50	27
Capital									
Machinery & equipment	903		(170)	733	715	18	97.5%	909	881
Total	90,934	-	(6,670)	84,264	82,752	1,512	98.2%	75,303	73,837

Western Cape - Department of Health

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 (C-K) to the annual financial statements.
2. **Detail of specifically and exclusively appropriated amounts voted (after Virement):**
Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the annual financial statements.
3. **Detail on financial transactions in assets and liabilities**
Detail of these transactions per programme can be viewed in note 6 (Details of special functions (theft and losses)) to the annual financial statements.
4. **Explanations of material variances from Amounts Voted (after virement):**
- 4.1 **Per programme:**

	Voted Funds after virement	Actual Expenditure	R'000	%
Administration	217,519	213,316	4,203	1.93
Savings due to:				
- a concerted effort of the department to cut down on audit expenditure and consultancy fees.				
- provision which was made in respect of Medico-Legal services claims but not fully utilized.				
District Health Services	1,318,782	1,330,397	(11,615)	(0.88)
Overspending due to increased pressure on pharmaceuticals				
Emergency Medical Services	199,241	198,170	1,071	0.54
Savings as the result of the envisaged communication system not purchased.				
Provincial Hospital Services	1,177,500	1,176,641	859	0.07
Savings as the result of a limited moratorium placed on the filling of posts.				
Central Hospital Services	1,806,119	1,805,918	201	0.01
Savings as the result of a limited moratorium placed on the filling of posts.				
Health Sciences and Training	74,918	73,541	1,377	1.84
Savings as a result of efficiency gains on various items in the account Goods and Services.				
Health Care Support Services	84,264	82,752	1,512	1.79
Savings due to fire protection and maintenance allocations not expended during 2004/2005.				

4.2 Per economic classification:

Current expenditure	R'000
Compensation of employees	2,799,467
Goods and services	1,508,050
Financial transactions in assets and liabilities	483
Transfers and subsidies	
Provinces and municipalities	228,132
Departmental agencies and accounts	5,976
Universities and technikons	56,979
Non-profit institutions	140,533
Households	35,489
Gifts and donations	40
Payments for capital assets	
Machinery and equipment	105,436
Software and other intangible assets	150

Western Cape - Department of Health

**Statement of Financial Performance
for the year ended 31 March 2005**

	<i>Note</i>	2004/05 R'000	2003/04 R'000
REVENUE			
Annual appropriation	1.	4,878,343	4,386,592
Appropriation for unauthorised expenditure approved		-	2,250
Departmental revenue	2.	33,005	10,750
Local and foreign aid assistance	3.	13,853	-
TOTAL REVENUE		<u>4,925,201</u>	<u>4,399,592</u>
EXPENDITURE			
Current expenditure			
Compensation of employees	4.	2,799,467	2,446,196
Goods and services	5.	1,508,050	1,343,090
Financial transactions in assets and liabilities	6.	483	1,902
Local and foreign aid assistance	3.	9,253	-
Unauthorised expenditure approved	7.	-	2,250
Total current expenditure		<u>4,317,253</u>	<u>3,793,438</u>
Transfers and subsidies	8.	467,149	499,719
Expenditure for capital assets			
Machinery and Equipment	9.	105,436	90,715
Software and other intangible assets	9.	150	-
Total expenditure for capital assets		<u>105,586</u>	<u>90,715</u>
TOTAL EXPENDITURE		<u>4,889,988</u>	<u>4,383,872</u>
NET SURPLUS		35,213	15,720
Add back unauthorised expenditure	7.	19,199	20,583
NET SURPLUS FOR THE YEAR		<u>54,412</u>	<u>36,303</u>
Reconciliation of Net Surplus for the year			
Voted Funds to be surrendered to the Revenue Fund	14.	16,807	25,553
Departmental revenue to be surrendered to revenue fund	15.	33,005	10,750
Local and foreign aid assistance	3.	4,600	-
NET SURPLUS FOR THE YEAR		<u>54,412</u>	<u>36,303</u>

Western Cape - Department of Health

Statement of Financial Position
as at 31 March 2005

	<i>Note</i>	2004/05 R'000	2003/04 R'000
ASSETS			
Current assets		526,448	504,456
Unauthorised expenditure	7.	450,131	441,571
Cash and cash equivalents	10.	27,332	28,070
Prepayments and advances	11.	2,408	1,825
Receivables	12.	46,577	32,990
Non-current assets		2	2
Investments	13.	2	2
TOTAL ASSETS		<u>526,450</u>	<u>504,458</u>
LIABILITIES			
Current liabilities		520,426	496,230
Voted funds to be surrendered to the Revenue Fund	14.	16,807	25,553
Departmental revenue to be surrendered to the Revenue Fund	15.	34,668	5,591
Payables	16.	464,351	465,086
Local and foreign aid assistance unutilised	3.	4,600	-
Non-current liabilities		-	8,228
Payables	17.	-	8,228
TOTAL LIABILITIES		<u>520,426</u>	<u>504,458</u>
NET ASSETS		<u>6,024</u>	<u>-</u>
Represented by:			
Recoverable revenue		6,024	-
TOTAL		<u>6,024</u>	<u>-</u>

Western Cape - Department of Health

**Statement of Changes in Net Assets
for the year ended 31 March 2005**

	<i>Note</i>	2004/05 R'000	2003/04 R'000
Recoverable revenue			
Debts recovered (included in departmental receipts)		6,024	
Closing balance		<u>6,024</u>	<u>-</u>
TOTAL		<u><u>6,024</u></u>	<u><u>-</u></u>

Western Cape - Department of Health

**Cash Flow Statement
for the year ended 31 March 2005**

	Note	2004/05 R'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		5,114,442
Annual appropriated funds received		4,878,343
Departmental revenue received		236,416
Local and foreign aid assistance received	3.	13,853
Net (increase) in working capital		(14,170)
Surrendered to Revenue Fund		(233,017)
Current payments		(4,315,577)
Transfers and subsidies paid		(467,149)
Net cash flow available from operating activities	18.	98,699
CASH FLOWS USED IN INVESTING ACTIVITIES		
Payments for capital assets	9	(105,586)
Proceeds from sale of capital assets	2.	125
Net cash flows from investing activities		(105,461)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase/(decrease) in loans received		6,024
Net cash flows from financing activities		6,024
Net (decrease) in cash and cash equivalents		(738)
Cash and cash equivalents at beginning of period		28,070
Cash and cash equivalents at end of period		27,332

Western Cape - Department of Health

**Notes to the Annual Financial Statements
for the year ended 31 March 2005**

1. Annual Appropriation

1.1 Annual Appropriation

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

	Final	Actual Funds	Variance	Total
	Appropriation	Received	over/(under)	Appropriation
	R'000	R'000	R'000	2003/04
				R'000
Administration	217,519	217,519	-	224,564
District Health Services	1,318,782	1,318,782	-	1,184,100
Emergency Medical Services	199,241	199,241	-	185,695
Provincial Hospital Services	1,177,500	1,177,500	-	1,053,048
Central Hospital Services	1,806,119	1,806,119	-	1,591,403
Health Sciences and Training	74,918	74,918	-	72,479
Health Care Support Services	84,264	84,264	-	75,303
Total	4,878,343	4,878,343	-	4,386,592

	Note	2004/05	2003/04
		R'000	R'000
1.2 Conditional grants			
Total grants received	ANNEXURE 1A	1,511,747	1,467,653

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

2. Departmental revenue to be surrendered to revenue fund

Description		
Sales of goods and services other than capital assets	221,954	159,338
Fines, penalties and forfeits	1	
Interest, dividends and rent on land	179	547
Sales of capital assets	125	
Recoverable revenue received	14,282	5,126
Total revenue collected	236,541	165,011
Less: Departmental revenue budgeted *	203,536	154,261
Departmental revenue collected	33,005	10,750

3. Local and foreign aid assistance

3.1 Assistance received in cash	Opening			Closing
Name of donor and purpose	Balance	Revenue	Expenditure	balance
Foreign				
Belguim Fund			744	(744)
European Union Fund		13,328	8,260	5,068
World Population Fund		525	249	276
	-	13,853	9,253	4,600
Analysis of balance				
Local and foreign aid unutilised			4,600	
Closing balance			4,600	-

Western Cape - Department of Health

Notes to the Annual Financial Statements
for the year ended 31 March 2005

	Note	2004/05 R'000	2003/04 R'000
3.2 Assistance received in kind			
Name of donor and purpose			
Local			
Refer to Annexure 1J		13,844	5,322
		<u>13,844</u>	<u>5,322</u>
Total local and foreign aid assistance received in kind		<u>13,844</u>	<u>5,322</u>
4. Compensation of employees			
4.1 Salaries and wages			
Basic salary		1,842,864	1,969,007
Performance award		8,214	3,151
Service Based		5,756	867
Compensative/circumstantial		337,101	12,280
Periodic payments		20,141	21,815
Other non-pensionable allowances		214,568	91,020
		<u>2,428,644</u>	<u>2,098,140</u>
4.2 Social contributions			
4.2.1 Short term employee benefits			
Pension		254,185	236,534
Medical		115,889	111,004
UIF		-	17
Bargain council		745	501
Official unions and associations		1	
Insurance		3	
		<u>370,823</u>	<u>348,056</u>
Total compensation of employees		<u>2,799,467</u>	<u>2,446,196</u>
Average number of employees		<u>23,263</u>	<u>23,567</u>

Western Cape - Department of Health

Notes to the Annual Financial Statements
for the year ended 31 March 2005

	Note	2004/05 R'000	2003/04 R'000
5. Goods and services			
Advertising		7,300	5,295
Bank charges and card fees		853	748
Bursaries (employees)		904	759
Communication		31,838	28,320
Computer services		24,671	14,532
Consultants, contractors and special services		114,455	86,933
Courier and delivery services		444	527
Tracing agents & debt collections		862	186
Drivers licences and permits		27	131
Entertainment		483	167
External audit fees	5.1	3,757	3,669
Equipment less than R5 000		12,475	1,964
Honoraria (Voluntary workers)		19	34
Inventory	5.2	763,469	766,958
Legal fees		691	32,876
Maintenance, repair and running costs		45,588	56,496
Medical services		308,353	181,894
Operating leases		6,130	5,627
Personnel agency fees		20	
Photographic services		131	229
Plant flowers and other decorations		14	
Printing and publications		473	
Professional bodies and membership fees		256	210
Resettlement costs		1,544	860
Subscriptions		83	4
Owned and leasehold property expenditure		109,256	93,677
Translations and transcriptions		67	
Transport provided as part of the departmental activities		2,255	2,513
Travel and subsistence	5.3	49,577	46,772
Venues and facilities		1,266	811
Protective, special clothing & uniforms		11,953	7,183
Training & staff development		8,836	3,715
		1,508,050	1,343,090
5.1 External audit fees			
Regulatory audits		3,757	3,202
Performance audits		-	467
Total external audit fees		3,757	3,669

Western Cape - Department of Health

Notes to the Annual Financial Statements
for the year ended 31 March 2005

	Note	2004/05 R'000	2003/04 R'000
5.2 Inventory			
Strategic stock		464	
Domestic Consumables		46,533	28,268
Food and Food supplies		34,785	31,798
Fuel, oil and gas		2,426	2,683
Laboratory consumables		9,180	9,120
Other consumables		2,468	479
Parts and other maintenance material		13,173	
Stationery and Printing		20,638	18,743
Medical Supplies		633,802	675,867
Total Inventory		763,469	766,958
5.3 Travel and subsistence			
Local		49,318	46,417
Foreign		259	355
Total travel and subsistence		49,577	46,772
6. Financial transactions in assets and liabilities			
Material losses through criminal conduct	6.1	45	42
Other material losses written off	6.2	333	235
Debts written off	6.3	105	1,625
		483	1,902
6.1 Material losses through criminal conduct			
Computers		19	33
Tools		11	7
Cheque Fraud		9	-
Other		6	2
		45	42
6.2 Other material losses written off in Statement of Financial Performance			
Nature of losses			
Government vehicle losses		293	189
Claims against the State		-	18
Other losses		40	28
		333	235
6.3 Bad debts written off			
Nature of debts written off			
Salary overpayments		1	418
Guarantees		51	261
Tax		9	154
Interest		8	6
Nutrition programme		-	424
Accommodation		27	57
Other		9	305
		105	1,625

Western Cape - Department of Health

**Notes to the Annual Financial Statements
for the year ended 31 March 2005**

An amount of R33,554 million has been written off in respect of Hospital Fee accounts raised. Hospital Fee accounts are not recognised in the Financial Statements.

7. Unauthorised expenditure	Note	2004/05 R'000	2003/04 R'000
7.1 Reconciliation of unauthorised expenditure			
Opening balance		441,571	423,238
Unauthorised expenditure – current year		19,199	20,583
Unauthorised expenditure approved by Parliament/Legislature – current expenditure			(2,250)
Transfer to receivables for recovery		(10,639)	
Unauthorised expenditure awaiting authorisation		<u>450,131</u>	<u>441,571</u>
8. Transfers and subsidies			
Provinces and municipalities	ANNEXURE 1C	228,132	213,359
Departmental agencies and accounts	ANNEXURE 1D	5,976	4,000
Universities and technikons	ANNEXURE 1E	56,979	42,245
Non-profit institutions	ANNEXURE 1H	140,533	211,043
Households	ANNEXURE 1I	35,489	29,054
Gifts and donations	ANNEXURE 1K	40	18
		<u>467,149</u>	<u>499,719</u>
9. Expenditure for capital assets			
Machinery and equipment	ANNEXURE 4	105,436	90,715
Software and other intangible assets	ANNEXURE 5	150	-
Total		<u>105,586</u>	<u>90,715</u>
10. Cash and cash equivalents			
Consolidated Pay master General Account		(37,117)	(21,880)
Cash receipts		233	(2,183)
Disbursements		-	(4,498)
Cash on hand		68	72
Cash with commercial banks		64,148	56,559
		<u>27,332</u>	<u>28,070</u>

The Consolidated PMG for 2003/2004 includes an amount of R2,483 million in respect of CMD debt transferred as a result of the exclusion of balances pertaining to the CMD. These balances have been removed as the CMD has compiled a separate set of Financial Statements.

11. Prepayments and advances			
Description			
Travel and subsistence		121	161
Advances paid to other entities		2,287	1,664
		<u>2,408</u>	<u>1,825</u>

The comparatives are not comparable due to the reclassification of items in the Standard Chart of Accounts.

Western Cape - Department of Health

**Notes to the Annual Financial Statements
for the year ended 31 March 2005**

12. Receivables

	Notes	Less than one year	One to three years	Older than 3 years	Total	Total
Amounts owing by other entities	ANNEXURE 6		26,042		26,042	17,248
Staff debtors	12.1	2,719	6,261	4,982	13,962	11,243
Other debtors	12.2	6,573			6,573	4,499
		9,292	32,303	4,982	46,577	32,990

	Note	2004/05 R'000	2003/04 R'000
12.1 Staff debtors			
(Group major categories, but list material items)			
Departmental debt			29
Old debtor system			1
New debtor system			11,102
Salary reversal control		(205)	46
SITE/PAYE			65
Sal: Deduction Disall Account: CA		41	
Sal: Disallowance Account: CA		(2)	
Sal: Tax Debt: CA		30	
Private Telephone: CA		4	
Debt Account: CA		14,031	
Debt Suspense: CA		63	
		13,962	11,243
12.2 Other debtors			
Nature of advances			
Rent			47
Trade debtors			2,871
Suspense Miscellaneous			34
Disallowance GG accidents			320
Disallowance GG miscellaneous			39
Disallowance store issues			625
Disallowance suppliers			172
Disallowance overpayments			15
Disallowance miscellaneous		6,102	23
Cheque fraud internal and external			72
Belgium Funding: TB/Aids			281
Disallowance Dishonoured Cheques		15	
Disallowance Damage & losses		122	
Patient Fees Control Account		(1)	
Damage Vehicles: CA		344	
Housing Loan Guarantees: CA		(9)	
		6,573	4,499

As indicated in Note 10 CMD Debtors have been removed from the 2003/2004 comparative figures as these amounts have been included in the Financial Statements of the Depot.

Western Cape - Department of Health

**Notes to the Annual Financial Statements
for the year ended 31 March 2005**

		Note	2004/05 R'000	2003/04 R'000		
13.	Investments					
	Investee	Nature of investment				
	(Reflected at cost)					
	Isaac Chames	Trust	2	2		
			<u>2</u>	<u>2</u>		
14.	Voted Funds to be surrendered to the Revenue Fund					
	Opening balance		25,553			
	Transfer from Statement of Financial Performance		16,807	25,553		
	Paid during the year		(25,553)			
	Closing balance		<u>16,807</u>	<u>25,553</u>		
15.	Departmental revenue to be surrendered to revenue fund					
	Opening balance		5,591	(5,159)		
	Transfer from Statement of Financial Performance		33,005	10,750		
	Departmental revenue budgeted		203,536			
	Paid during the year		(207,464)			
	Closing balance		<u>34,668</u>	<u>5,591</u>		
16.	Payables – current					
	Description	Notes	30 Days	30+ Days	Total	Total
	Advances received	16.1			-	39
	Clearing accounts	16.2		464,351	464,351	458,791
	Other payables	16.3			-	6,256
			<u>-</u>	<u>464,351</u>	<u>464,351</u>	<u>465,086</u>
16.1	Advances received					
	Identify major categories, but list material items					
	EU Funding					39
					<u>-</u>	<u>39</u>
16.2	Clearing accounts					
	Description					
	Patient Fee Deposits				654	
	Sal: Reg Service Council				8	
	Sal: Pension Fund				24	
	Sal: Medical Aid				(8)	
	Sal: Income Tax				915	
	Sal: Housing				2	
	Sal: Garnishee Order				51	
	Sal: Insurance Deductions				2	
	Sal: Bargaining Councils				1	
	Conversion: M/F Difference - One				2,384	
	Advances from Western Cape				458,791	458,791
	Advances from Public Entities				786	
	Advances from Public Corporations & Private Entities				741	
					<u>464,351</u>	<u>458,791</u>

Western Cape - Department of Health

**Notes to the Annual Financial Statements
for the year ended 31 March 2005**

	Note	2004/05 R'000	2003/04 R'000			
16.3 Other payables						
Persal adjustments			157			
Suspense: Patient private money			8			
Preferred provider medical aid			741			
World Population Fund: Reproductive Health			525			
European Union Funding: HBC Project			4,825			
		-	6,256			
17. Payables – Non-current						
Description	Notes	One to two years	Two to three years	More than three years	Total	Total
Other payables	17.2				-	8,228
		-	-	-	-	8,228
17.2 Other payables						
Recoverable revenue: Capital account						7,401
Recoverable revenue: Interest.						827
					-	8,228
18. Reconciliation of net cash flow from operating activities to surplus/(deficit)						
Net surplus/(deficit) as per Statement of Financial Performance					54,412	
(Increase)/decrease in receivables – current					(13,587)	
(Increase)/decrease in prepayments and advances					(583)	
(Increase)/decrease in other current assets					(8,560)	
Increase/(decrease) in payables – current					(735)	
Increase/(decrease) in non-current liabilities					(8,228)	
Proceeds from sale of equipment					(125)	
Surrenders					(233,017)	
Capital expenditure					105,586	
Departmental revenue budgeted					203,536	
Net cash flow generated by operating activities					98,699	
Current Payment - R4 315 577		R'000				
Current Year expenditure for 04/05 Financial Year		(4,317,253)				
Over expenditure of 04/05		2,392				
EU Monies received held in a suspense account		(39)				
Over expenditure Belgium Fund in 04/05 not funded until 05/06		(744)				
EU Funding expenditure		(5,351)				
Expenditure for previous year unauthorised		3,926				
Balancing figure		4				
19. Appropriated funds and departmental revenue surrendered						
Appropriated funds surrendered					25,553	
Departmental revenue surrendered					207,464	(165,908)
					233,017	(165,908)

Western Cape - Department of Health

Disclosure notes to the Annual Financial Statements
for the year ended 31 March 2005

These amounts are not recognised in the financial statements and are disclosed to enhance the usefulness of the financial statements.

	Note	2004/05 R'000	2003/04 R'000
20. Contingent liabilities			
Liable to	Nature		
Housing loan guarantees	Employees	38,598	46,788
Other departments (unconfirmed balances)	ANNEXURE 7	1,168	675
Claims		99,788	68,778
Capped Leave Commitments		226,048	255,438
		<u>365,602</u>	<u>371,679</u>

Labour relations claims R206 270 + R8 040	=	R214,310
Medico Legal	=	R97,103,483
Civil and Legal claims R2 214 000 + R256 465	=	R2,470,465
Total	=	R99,788,258

21. Commitments

Current expenditure

Approved and contracted	54,477	49,247
Approved but not yet contracted	17,274	6,478
	<u>71,751</u>	<u>55,725</u>

Capital expenditure

Approved and contracted	6,205	7,441
Approved but not yet contracted	133	196
	<u>6,338</u>	<u>7,637</u>

Total Commitments

	<u>78,089</u>	<u>63,362</u>
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22. Accruals

By economic classification

	Notes	30 Days	30+ Days	Total	Total
Compensation of employees		1,041		1,041	
Goods and services		28,408	8,175	36,583	50,489
Transfers and subsidies		27,786	1	27,787	6,917
Machinery and Equipment		6,686	53	6,739	4,223
				<u>72,150</u>	<u>61,629</u>

Listed by programme level

Administration	5,289	10,812
District Health Services	28,359	5,041
Emergency Medical Services	242	37
Provincial Hospital Services	13,239	12,080
Central Hospital Services	24,143	32,857
Health Sciences and Training	165	34
Health Care Support Service	713	768
	<u>72,150</u>	<u>61,629</u>

Confirmed balances with other departments	ANNEXURE 7	-	2,188
		<u>-</u>	<u>2,188</u>

Western Cape - Department of Health

**Disclosure notes to the Annual Financial Statements
for the year ended 31 March 2005**

	Note	2004/05 R'000	2003/04 R'000
23. Employee benefits			
Leave entitlement		190	
Thirteenth cheque		75,243	72,382
Performance awards		16,767	3,151
		<u>92,200</u>	<u>75,533</u>

24. Leases

	Buildings & other fixed structures	Machinery and equipment	Total	Total
24.1 Operating leases				
Not later than 1 year		12,502	12,502	8,389
Later than 1 year and not later than 3 years		1,345	1,345	2,097
Later than three years		11,068	11,068	1,262
Total present value of lease liabilities	-	24,915	24,915	11,748

25. Receivables for service delivered
Nature of service

	2004/05 R'000	
Healthcare provided	454,540	82,588
	<u>454,540</u>	<u>82,588</u>

An amount of R338,127 million which could not be provided during the 2003/2004 financial year as a result of the HIS system not being able to provide the information has now been included.

The irrecoverable % of the outstanding debt is estimated at 27% or R119,699,204.

Debts written off

Hospital Fees written off R33,554 million

26. Irregular expenditure

26.1 Reconciliation of irregular expenditure	2004/05 R'000	
Irregular expenditure – current year	154	
Irregular expenditure awaiting condonement	<u>154</u>	-

Analysis

Current

Prior years

-	-
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26.2 Irregular expenditure

Incident	Disciplinary steps taken/criminal proceedings	
Kenza Health PTY	cases will be reported to the	-
SUDS Laundry	Accounting Officer for condonation	-
RXH-Ultrasound machine	and taking disciplinary steps if need be. A circular will be sent to institutions.	154
		<u>154</u>

Western Cape - Department of Health

**Disclosure notes to the Annual Financial Statements
for the year ended 31 March 2005**

		Note	2004/05 R'000	2003/04 R'000
27. Senior management personnel				
	Number			
Member of the Executive Council	1		735	601
Deputy Director Generals	3		1,280	1,113
HoD (SG)	1		879	727
CFO	1		611	-
CD (Chief Director)	9		4,277	3,390
			<u>7,782</u>	<u>5,831</u>

Western Cape - Department of Health

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 R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Amount received by department R'000	Amount spent by department R'000	% of Available funds spent by department %	Division of Revenue Act R'000	Amount spent by departments R'000
National Tertiary Services	1,104,087			1,104,087	1,104,087	1,104,087	100.0%	1,076,724	1,076,724
Health professions training and development	327,210			327,210	327,210	327,210	100.0%	314,696	314,696
Hospital management and quality improvement	16,983			16,983	16,983	15,179	89.4%	16,376	16,376
HIV/AIDS	57,962			57,962	57,962	70,394	121.4%	24,204	24,204
Integrated Nutrition	4,809			4,809	4,809	4,704	97.8%	34,653	34,653
Medico-legal		696		696	696	696	100.0%	1,000	304
	1,511,051	696	-	1,511,747	1,511,747	1,522,270		1,467,653	1,466,957

Western Cape - Department of Health

Annexures to the Annual Financial Statements
for the year ended 31 March 2005

ANNEXURE 1C
STATEMENT OF TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	TRANSFER ALLOCATION				EXPENDITURE			2003/04 *
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Amount Not Transferred R'000	% of Available Funds Transferred %	Amounts spent by department R'000
HO								
- Theewaterskloof				-		-	0.0%	800
- Eden	41			41	36	5	87.8%	159
- Overberg/Cape Winelands	400			400	400	-	100.0%	234
- City of Cape Town	34,300			34,300	32,311	1,989	94.2%	40,493
Metro								
- Blaauwberg				-		-	0.0%	3,487
- City of Cape Town	98,881			98,881	98,763	118	99.9%	37,066
- Helderberg				-		-	0.0%	4,870
- Oostenberg				-		-	0.0%	7,174
- South Peninsula				-		-	0.0%	10,098
- Tygerberg				-		-	0.0%	29,116
Boland								
- Agulhas				-		-	0.0%	67
- Breede Valley	1,745			1,745	1,745	-	100.0%	1,659
- Breerivier/Wineland	857			857	805	52	93.9%	808
- Overstrand	1,056			1,056	1,056	-	100.0%	1,008
- Overberg	8,851			8,851	8,640	211	97.6%	6,850
- Theewaterskloof	1,855			1,855	1,855	-	100.0%	1,687
- Witzenberg	625			625	625	-	100.0%	592
- Cape Winelands	12,465			12,465	12,232	233	98.1%	7,731

Western Cape - Department of Health

Annexures to the Annual Financial Statements
for the year ended 31 March 2005

ANNEXURE 1C
STATEMENT OF TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	TRANSFER ALLOCATION				EXPENDITURE			2003/04 *
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Amount Not Transferred R'000	% of Available Funds Transferred %	Amounts spent by department R'000
West Coast - Bergriver	35			35	3	32	8.6%	33
- Drakenstein	6,456			6,456	6,648	(192)	103.0%	3,313
- Cederberg	527			527	588	(61)	111.6%	483
- Saldanha	2,153			2,153	2,284	(131)	106.1%	1,936
- Matzikama	774			774	828	(54)	107.0%	738
- Swartland	3,672			3,672	3,990	(318)	108.7%	1,935
- Stellenbosch	2,717			2,717	2,727	(10)	100.4%	2,546
- Cape Winelands	3,980			3,980	3,938	42	98.9%	888
- West Coast	11,100			11,100	11,762	(662)	106.0%	8,781
South Cape - Beaufort West	1,340			1,340	1,073	267	80.1%	1,131
- George	6,115			6,115	5,949	166	97.3%	6,411
- Knysna	2,055			2,055	2,004	51	97.5%	1,860
- Kannaland	5			5	1	4	20.0%	24
- Langeberg	1,823			1,823	1,871	(48)	102.6%	1,881
- Laingsburg	5			5	7	(2)	140.0%	32
- Oudtshoorn	1,470			1,470	1,139	331	77.5%	603
- Mosselbay	2,635			2,635	2,482	153	94.2%	2,231
- Bitou	2,039			2,039	2,313	(274)	113.4%	1,329
- Prince Albert	285			285	248	37	87.0%	342
- Central Karoo	4,334			4,334	3,356	978	77.4%	3,651
- Eden	9,815			9,815	9,008	807	91.8%	8,309
Regional Service Council Levy (Various Muni's)	6,683			6,683	7,445	(762)	111.4%	11,003
	231,094	-	-	231,094	228,132	2,962		213,359

* The comparative figures per municipality includes allocations that have been Gazetted and those allocations not Gazetted.

Western Cape - Department of Health

Annexures to the Annual Financial Statements
for the year ended 31 March 2005

ANNEXURE 1D

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

AGENCY/ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2003/04
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available Funds Transferred %	Final Appropriation Act R'000
Cape Medical Depot	4,103			4,103	4,103	100.0%	2,000
SETA	1,575			1,575	1,873	118.9%	2,000
	5,678	-	-	5,678	5,976		4,000

Western Cape - Department of Health

Annexures to the Annual Financial Statements
for the year ended 31 March 2005

ANNEXURE 1E
STATEMENT OF TRANSFERS TO UNIVERSITIES AND TECHNIKONS

UNIVERSITY/TECHNIKON	TRANSFER ALLOCATION				EXPENDITURE			2003/04
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Amount not Transferred R'000	% of Available Funds Transferred %	Final Appropriation Act R'000
Stellenbosch	20,808			20,808	25,996	(5,188)	124.9%	20,665
Western Cape	11,461			11,461	11,005	456	96.0%	2,729
Cape Town	19,565			19,565	18,392	1,173	94.0%	18,040
Peninsula Technikon	1,586			1,586	1,586	-	100.0%	811
	53,420	-	-	53,420	56,979	-3,559		42,245

Western Cape - Department of Health

Annexures to the Annual Financial Statements for the year ended 31 March 2005

ANNEXURE 1H

STATEMENT OF TRANSFERS/SUBSIDIES TO NON-PROFIT INSTITUTIONS

	TRANSFER ALLOCATION				EXPENDITURE		2003/04
NON PROFIT ORGANISATION	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available Transferred %	Final Appropriation Act R'000
Transfers							
Provincial-aided hospitals							
- St Josephs	4,780			4,780	5,357	112.1%	5,194
- Sarah Fox	3,900			3,900	3,780	96.9%	3,463
- Maitland Cottage	3,416			3,416	4,098	120.0%	3,899
- Booth Memorial	6,798			6,798	6,798	100.0%	6,468
- Clanwilliam	5,664			5,664	6,464	114.1%	5,889
- Radie Kotze	3,673			3,673	3,532	96.2%	3,532
- Murraysburg	2,050			2,050	2,057	100.3%	1,795
- Prince Albert	3,280			3,280	3,280	100.0%	2,800
- Uniondale	2,395			2,395	2,384	99.5%	2,000
- Laingsburg	2,805			2,805	2,805	100.0%	2,350
S.A Red Cross Air Mercy	4,439			4,439	8,696	195.9%	9,163
Conradie Care Centre	24,218			24,218	24,818	102.5%	23,670
TB hospitals							
- DP Marais	7,896			7,896	7,896	100.0%	7,513
- Malmesbury	-			-	-	0.0%	1,661
- Paarl	-			-	-	0.0%	2,375
- Harry Comey	4,519			4,519	4,519	100.0%	4,300
Non-government organisations							
- HIV/AIDS	32,423			32,423	31,686	97.7%	13,551
- Nutrition	2,064			2,064	1,966	95.3%	32,087
- NGO (APH)	-		224	224	224	100.0%	-
- TB NGO's	1,252			1,252	2,055	164.1%	1,669
- Day Care Centres	2,630			2,630	2,330	88.6%	2,116
- HCW NGO	457			457	713	156.0%	341
- Licenced homes	2,200			2,200	2,470	112.3%	2,219
- Group homes	2,714			2,714	2,145	79.0%	1,948
- PSCHO Soc Rehab groups	301			301	257	85.4%	218
- Homebased Care	-			-	-	0.0%	3,810
- Santa Guidance	105			105	23	21.9%	78
- Administration services	7			7	-	0.0%	2,767
- Global Fund	10,914			10,914	10,180	93.3%	-
Karl Bremer Trading account	-			-	-	0.0%	64,167
	134,900	-	224	135,124	140,533		211,043
TOTAL	134,900	-	224	135,124	140,533		211,043

Western Cape - Department of Health

Annexures to the Annual Financial Statements
for the year ended 31 March 2005

ANNEXURE 1I
STATEMENT OF TRANSFERS/SUBSIDIES TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE		2003/04
HOUSEHOLDS	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available Transferred %	Final Appropriation Act R'000
Transfers							
Employee social benefits-cash residents	1,400		4,002	5,402	5,391	99.8%	6,049
Claims against the state: households	3,500		(978)	2,522	272	10.8%	2,909
Bursaries	26,385			26,385	26,624	100.9%	17,411
PMT/Refund&Rem-Act/Grace (Injuries on duties)	2,215		949	3,164	3,202	101.2%	2,685
	33,500	-	3,973	37,473	35,489		29,054
Total	33,500	-	3,973	37,473	35,489		29,054

Western Cape - Department of Health

Annexures to the Annual Financial Statements for the year ended 31 March 2005

ANNEXURE 1J

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED FOR THE YEAR ENDED 31 MARCH 2005

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2004/05 R'000	2003/04 R'000
Received in kind			
University of Stellenbosch	1x CF-Q 160MC Ex era colour-scope		
	1x CV-160 Ex era video processor		
	1x GIF-Q160 Ex era Gastro-scope		300
B Braun Medical	10x Infusomat, FM refurbished infusion pumps		80
B Braun Medical	21x Braun infusemat volumetric infusion pumps		168
Storz Germany	1x Video Thoracoscopy Unit		400
Tygerberg Children's Hosp Trust Fund	3x Nihon Kohden ECG patient monitors		83
Facilities Board	Monitors		258
Facilities Board	Theraplan connection, etc		81
Facilities Board	Termal laser		627
Facilities Board	Audiometer		82
Other			744
Crusaid	HIV/AIDS project drugs and laboratory cost		258
Diana Princess of Wales Research Foundation	HIV/AIDS project and evaluation		287
Facilities Board	Furniture		214
Facilities Board	Maintenance: Gordon grounds building		243
Facilities Board	Books, publications		128
Communicare	Building of waiting area		500
Other			463
	Textiles and clothing		63
Facilities Board	1x Data projector		249
Other			94
GSH Hospital facilities Board	Office equipment	108	
GSH Hospital facilities Board	Patient welfare & Staff Welfare	471	
GSH Hospital facilities Board	Gardens & Grounds	196	
GSH Hospital facilities Board	Equipment Maintenance	110	
RXF/MEDITEK HEMCO	Hospital Bed	138	
Various	Other	1,053	
GSH Hospital Facilities Board	CT Scanner Tube	100	
GSH Hospital Facilities Board	Harmonic scalpel	245	
GSH Hospital Facilities Board	Care-flow driver & Humidifier	121	
GSH Hospital Facilities Board	Bronco Fibrescope	104	
GSH Hospital Facilities Board	Hitech Laser	594	
GSH Hospital Facilities Board	Ultrasound system	250	
Tygerberg Children's Hospital Trust Fund	Sensor Medics High Frequency oscillator	380	
Tygerberg Children's Hospital Trust Fund	GIF-XP 160 Gastro videoscope 5.9mm	125	
Phiips Medical Services	ATL HDI - 1000Sonal and Doppler machine	100	
International Atomic Energy Agency	Gammasonics Gamma Probe Model MKIII	100	
Tygerberg Children's Hospital Trust Fund	Halogen Light Source	141	
Tygerberg Children's Hospital Trust Fund	Broncho video scope 3.8mm BF-3C 160	155	
B.Braun Medical (PTY) Ltd	Braun Infusomat FMS Infusion pumps (refurbish)	240	
Blaauwberg Rotary Club & Tygerberg	Neuro endoscopic System	292	
Side winder Medical Gas	Bedfont Nox Box Nitric-oxide dosing and monitoring system	131	
Tygerberg Children's Hospital Trust Fund	Infusomat FM 200 Infusion Pumps (20)	150	
Tygerberg Children's Hospital Trust Fund	Infusomat FM Infusion Pumps second hand (30)	225	
Tygerberg Children's Hospital Trust Fund	Echocardiographic machine (Acuson LV 70)	352	
Prof JF Coetzee	Fresenius Computer Compatible Infusion/Monitor	120	
Red Cross Children's Trust	Vital Signs monitor-InVivo	160	
Red Cross Children's Trust	Midas Rex High speed drill	163	
Red Cross Children's Trust	Eschmann Manual Theatre Table	248	
Red Cross Children's Trust	Anaesthetic Machines	866	
Red Cross Children's Trust	Various Surgical Instruments	310	
Red Cross Children's Trust	Bipolar Coagulation system	193	

Western Cape - Department of Health

Annexures to the Annual Financial Statements for the year ended 31 March 2005

ANNEXURE 1J

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED FOR THE YEAR ENDED 31 MARCH 2005

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2004/05 R'000	2003/04 R'000
Red Cross Children's Trust	Autoclave Steritech	294	
Red Cross Children's Trust	Ivac Pumps Asena	268	
National	Wheelchair	176	
SA Medical Foundation	Infusomat pumps (Braun)	118	
Red Cross Children's Trust	PC printer & PC projector	46	
Red Cross Children's Trust	Automap	16	
Red Cross Children's Trust	Fluoro loop	65	
Red Cross Children's Trust	Carewatch	53	
Red Cross Children's Trust	DSA	292	
Red Cross Children's Trust	Lifeguard trolleys, with mattress	46	
Red Cross Children's Trust	Doppler machine (Vascular)	10	
Red Cross Children's Trust	GSI unit complete	191	
Red Cross Children's Trust	Defibrillator with built-in printer & ECG monitor	43	
Red Cross Children's Trust	Dolphin SATS monitor & 3 interface cables	18	
Red Cross Children's Trust	Welch Allyn halogen diagnostic lamps	12	
Red Cross Children's Trust	Portable ventilator & 4 extra long patient hoses	50	
Red Cross Children's Trust	Glucometer acucheck	2	
Red Cross Children's Trust	Q-carts (1 each emergency-sterile-anaesthetic-POP)	33	
Red Cross Children's Trust	Gastrofiberscope	80	
Red Cross Children's Trust	Astolfo infusion warming system	44	
Red Cross Children's Trust	Welch Allyn wall mounted diagnostic sets	14	
Red Cross Children's Trust	Water circulating pumps for existing warming blankets	7	
Red Cross Children's Trust	Paediatric bronchofiberscope	80	
Red Cross Children's Trust	Q11 procedure carts	20	
Red Cross Children's Trust	Microaire series 700 drill system	87	
Red Cross Children's Trust	IVAC asena syringe pumps	22	
Red Cross Children's Trust	Ivac volumetric pumps	28	
Red Cross Children's Trust	MacIntosh sprays	1	
Red Cross Children's Trust	Head rings S/M/L	3	
Red Cross Children's Trust	Biar hugger	21	
Red Cross Children's Trust	HB classic photometer	5	
Red Cross Children's Trust	Glu classic photometer	2	
Red Cross Children's Trust	Drip stands mobile	2	
Red Cross Children's Trust	Stool anaesthetic mobile	3	
Red Cross Children's Trust	Cart anaesthetic Q11	14	
Red Cross Children's Trust	Pulse oximeters	45	
Red Cross Children's Trust	Thompson retractor set	73	
Red Cross Children's Trust	Defibrillator with ECG monitor	43	
Red Cross Children's Trust	Baby warmer on stand (overhead radiant heater)	4	
Red Cross Children's Trust	Bottom part F.JK411/431-code JK441	1	
Red Cross Children's Trust	Basic 1/1-inner cover,silver-code JK489	2	
Red Cross Children's Trust	Perforated basket-code JF222R	1	
Red Cross Children's Trust	Sisicon knob mat-code JF932	1	
Red Cross Children's Trust	Handpiece for harmonic scalpel	28	
Red Cross Children's Trust	Martin ME MB1-endo diathermy unit,table & trolley	41	
Red Cross Children's Trust	Water circulating pumps with blankets	7	
Red Cross Children's Trust	X-ray lead vest & skirt large 97-102	4	
Red Cross Children's Trust	X-ray lead vest & skirt medium 87-92	2	
Red Cross Children's Trust	X-ray coat type apron X-large 107-112	1	
Red Cross Children's Trust	X-ray thyroid/stemum shield	1	
Red Cross Children's Trust	Osteon handpiece straight pneumatic code 5038-001	26	
Red Cross Children's Trust	Osteon handpiece angled pneumatic code 5038-002	29	
Red Cross Children's Trust	Osteon foot control with universal hose code 5038-004	18	
Red Cross Children's Trust	Osteon hose code 5038-005	5	
Red Cross Children's Trust	Diathermy unit Martin ME MB1	44	
Red Cross Children's Trust	Surgical instrument as per quotation on file	28	

Western Cape - Department of Health

Annexures to the Annual Financial Statements
for the year ended 31 March 2005

ANNEXURE 1J

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED FOR THE YEAR ENDED 31 MARCH 2005

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2004/05 R'000	2003/04 R'000
Red Cross Children's Trust	Digital baby scale	1	
Red Cross Children's Trust	Digital physician scale with height measuring rod	4	
Red Cross Children's Trust	Sterilizer and 3 modules	8	
Red Cross Children's Trust	Halogen cold light source	10	
Red Cross Children's Trust	Portable digital EEG system complete	170	
Red Cross Children's Trust	Refrigerator Dey barfridge	1	
Red Cross Children's Trust	Brymill cryospray B700	6	
Red Cross Children's Trust	Electrocardiograph machine	7	
Red Cross Children's Trust	Streitech autoclave model HD300E	103	
Red Cross Children's Trust	Saver arm chairs	1	
Red Cross Children's Trust	Pisa highback chairs	4	
Red Cross Children's Trust	Barstool chairs swivel & back	2	
Red Cross Children's Trust	Congress highback chairs	9	
Red Cross Children's Trust	Dwarf single seater	6	
Red Cross Children's Trust	Venetian blinds	2	
Red Cross Children's Trust	bm25 Haemofiltration machine	112	
Red Cross Children's Trust	Revco incubator system	73	
Red Cross Children's Trust	Medical refrigerators	27	
Red Cross Children's Trust	Biological safety cabinet	50	
Red Cross Children's Trust	Lab washer complete	121	
Red Cross Children's Trust	Bulk storage refrigerator for vaccines	26	
Red Cross Children's Trust	Mobile light with flexible neck	3	
Red Cross Children's Trust	Ocusan ophthalmic ultrasound system	47	
Red Cross Children's Trust	Tono-Pen starter kit	32	
Red Cross Children's Trust	Jedmed Crawford hook-retriever-set	3	
Red Cross Children's Trust	Parallel plier with cutting device	1	
Red Cross Children's Trust	Allegra X-15R benchtop centrifuge with accessories	111	
Red Cross Children's Trust	Inventory control management system	50	
Red Cross Children's Trust	Javelin colour printer	26	
Red Cross Children's Trust	Nikon Cool Pix camera	4	
Red Cross Children's Trust	Steamer combi	77	
Red Cross Children's Trust	Syringe pumps Tiva	22	
Red Cross Children's Trust	Upgrade copy machine	7	
Various	Other	2207	
Subtotal		13,844	5,322
		13,844	5,322

Western Cape - Department of Health

Annexures to the Annual Financial Statements
for the year ended 31 March 2005

ANNEXURE 1K

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE FOR THE YEAR ENDED 31 MARCH 2005

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of the organisation)	2004/05 R'000	2003/04 R'000
Paid in cash		
Department of Social Services (16 days of activism to end violence against women and children)	20	
Cancer Association of South Africa	5	
Gift for speakers: IFOMT Congress	4	
Other		5
Subtotal	29	5
Made in kind		
Subtotal	-	-
Remissions, refunds, and payments made as an act of grace		
Payment made as an act of grace	11	13
Subtotal	11	13
Total	40	18

Western Cape - Department of Health

Annexures to the Annual Financial Statements
for the year ended 31 March 2005

ANNEXURE 3

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

Guarantor institution	Guarantee in respect of	Original Guaranteed capital amount R'000	Opening Balance 01/04/2004 R'000	Guarantees issued during the year R'000	Guarantees Released during the year R'000	Guaranteed interest outstanding as at 31 March 2005 R'000	Closing Balance 31/03/2005 R'000	Realised losses i.r.o. claims paid out R'000
Standard Bank (0001)	Housing		4,646		697		3,949	
Nedbank (Cape of Good Hope) (0002)	Housing		489		157		332	
Nedbank (0003)	Housing		1,717		148		1,569	
First Rand (0004)	Housing		5,962		1,438		4,524	
Nedbank (Inc BOE) (0010)	Housing		1,051		262		789	
ABSA (0017)	Housing		17,155		2,735		14,420	
Old Mutual Fin. Ltd (0041)	Housing		94		-		94	
Peoples Bank FBC Fid (0052)	Housing		994		242		752	
Peoples Bank (NBS)	Housing		1,514		264		1,250	
FNB (Former Saambou) (0054)	Housing		4,021		798		3,223	
Old Mutual (Nedbank/Perm) (0055)	Housing		8,206		1,277		6,929	
GBS Mutual Bank (0071)	Housing		44		17		27	
Nedcor Inv. Bank Ltd (0143)	Housing		44		-		44	
Community Bank (0301)	Housing		24		13		11	
Unibank (0391)	Housing		12		-		12	
BOE Bank Ltd (0444)	Housing		682		328		354	
SA Home Loans (0512)	Housing		17		-		17	
Green Start Home Loans (0516)	Housing		41		-		41	
NHFC (Masikeni)	Housing				(186)		186	
First Rand	Bulk Mail		75				75	
		-	46,788	-	8,190	-	38,598	-
	Total	-	46,788	-	8,190	-	38,598	-

Western Cape - Department of Health

Annexures to the Annual Financial Statements
for the year ended 31 March 2005

ANNEXURE 4

PHYSICAL ASSET MOVEMENT SCHEDULE AS AT 31 MARCH 2005

	Opening Balance	Additions	Disposals	Transfers in	Transfers Out	Closing Balance
	R'000	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	-	105,436	946	16,325	1	
Computer equipment	-	13,491	53	579		
Furniture and office equipment	-	3,725	79	277	1	
Other machinery and equipment	-	87,790	814	15,469		
Transport assets	-	430				
BIOLOGICAL OR CULTIVATED ASSETS	-					-
LAND AND SUBSOIL ASSETS	-	-	-	-	-	-
Land	-					-
Mineral and other non regenerative assets	-					-
	-	105,436	946	16,325	1	-

PHYSICAL ASSET MOVEMENT SCHEDULE AS AT 31 MARCH 2004

	Opening Balance	Additions	Disposals	Transfers in	Transfers Out	Closing Balance
	R'000	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT		90,715	-	-	-	
Computer equipment		8,975				
Furniture and office equipment		3,000				
Other machinery and equipment		78,740				
	-	90,715	-	-	-	-

Western Cape - Department of Health

Annexures to the Annual Financial Statements
for the year ended 31 March 2005

ANNEXURE 5

SOFTWARE AND OTHER INTANGIBLE ASSET MOVEMENT SCHEDULE AS AT 31 MARCH 2005

	Opening Balance	Additions	Disposals	Transfers In	Transfers Out	Closing Balance
	R'000	R'000	R'000	R'000	R'000	R'000
Computer software	-	150				150
	-	150	-	-	-	150

SOFTWARE AND OTHER INTANGIBLE ASSET MOVEMENT SCHEDULE AS AT 31 MARCH 2004

	Opening Balance	Additions	Disposals	Transfers In	Transfers Out	Closing Balance
	R'000	R'000	R'000	R'000	R'000	R'000
Computer software						-
	-	-	-	-	-	-

Western Cape - Department of Health

Annexures to the Annual Financial Statements
for the year ended 31 March 2005

ANNEXURE 6
INTER-GOVERNMENTAL RECEIVABLES

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding	
	31/03/2005	31/03/2004	31/03/2005	31/03/2004
	R'000	R'000	R'000	R'000
Department				
NATIONAL DEPARTMENTS				
Defence	6	-	-	32
Justice			9	1
Correctional Services		6		
Public Works		11		
PROV. ADMIN. EASTERN CAPE				
Health		9	10	
PROV. ADMIN. FREE STATE				
Health			11	6
PROV. ADMIN. GAUTENG				
Human Resources Management & Development			2	
Health		5	21	68
PROV. ADMIN. KWAZULU NATAL				
Health		8		
PROV. ADMIN. NORTHERN CAPE				
Health			32	30
NORTH WEST PROVINCE				
Health		5		6
PROV. ADMIN. WESTERN CAPE				
Culture Affairs & Sport		3		
Education			87	
Economic Development & Tourism	9			
Transport & Public Works	5	1,696	2,486	5
Provincial Parliament		52		
Social Services and Poverty Alleviation			13,660	15,285
Community Safety	12			
Provincial Administration Western Cape	1			3
Agriculture	3			3
Provincial Treasury/Finance		2		
OTHER				
Family Planning, City of Cape Town			175	
Family Planning, Tygerberg			59	
INP-LA Leche Leage			58	
Family Planning 14022005			269	
LIMPOPO (NORTHERN PROVINCE)				
Health			12	12
	36	1,797	16,891	15,451

Western Cape - Department of Health

Annexures to the Annual Financial Statements
for the year ended 31 March 2005

ANNEXURE 6
INTER-GOVERNMENTAL RECEIVABLES

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding	
	31/03/2005	31/03/2004	31/03/2005	31/03/2004
	R'000	R'000	R'000	R'000
Other Government Entities				
Pension Recoverable			(308)	
AGENCY CONTROL ACC.				
National Health Population Development			8,609	
Land Affairs (Walvis Bay)			2,029	
EU Fund			(39)	
Belgium TB/HIV			4	
Tygerberg laundry			(1,180)	
	-	-	9,115	-
TOTAL	36	1,797	26,006	15,451

Include all amounts owing by National and Provincial Departments as well as all Public Entities, Constitutional Institutions and Trading Entities.

Western Cape - Department of Health

**Annexures to the Annual Financial Statements
for the year ended 31 March 2005**

**ANNEXURE 7
INTER-DEPARTMENTAL PAYABLES – CURRENT**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding	
	31/03/2005	31/03/2004	31/03/2005	31/03/2004
	R'000	R'000	R'000	R'000
Department				
Amounts not included in Statement of financial position				
Current				
Western Cape Education Department				37
Department of transport and Public Works (Government Motor Transport)				246
Department of Transport and Public Works		85		127
Department of Provincial Administration Western Cape		5		
Department of Health - Free State				44
National Department of Health				29
South African Management Development Institute Republic of South Africa				5
Department of Justice and Constitutional Development		2,098		148
Gauteng Provincial Government				39
Provincial Parliament			3	
Department of Agriculture			4	
Department of Social Services				
Provincial Treasury				
Department of Provincial Administration Western Cape			144	
Department of Transport			285	
Government Motor Transport			555	
National Department of Justice and Constitutional Development			177	
Department of Premier			-	
Total	-	2,188	1,168	675

CAPE MEDICAL DEPOT

The Accounting Officer's Report for the year ended 31 March 2005

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

General Review of the State of Affairs:

Budget Allocation:

The expenditure budget in respect of the administrative expenditure of the Cape Medical Depot is recovered from the a levy charged for goods distributed. The budget of the Cape Medical Depot is included in the approved budget document of the Province. The budget allocation for administrative expenditure amounted to R21,866 million for the 2004/2005 financial year. This administrative budget comprises compensation of employees, goods and services, and payments for capital assets.

The budget allocation for the 2004/2005 financial year in respect of the acquisition of goods for resale amounts to R258,580 million. The actual purchases (receipts posted on Medical Stores Administration System (Medsas)) for the year amounted to R263,888 million against actual issues (sales) for the year amounting to R262,819 million. The purchase of stock during the 2004/5 financial year not passing through the store, but via the Direct Delivery Voucher (DDV) System, amounted to R14,347 million.

The cumulative capital amount made available to the depot as at 31 March 2005 for the purchase of stock amounted to R36,103 million. This amount remains static until Treasury is requested to grant an increase in the approved capital via normal budgeting processes. During the year under review the depot's Trading Capital was augmented by R4,103 million.

Over/Under spending:

The administrative expenditure for the year under review is within the budget allocation.

The closing stock figure as per the Medical Stores Administration System (MEDSAS) was R46.457 million. The high stock level enables the depot to meet the demands and ensures a consistent reliable supply of pharmaceutical and related items to all users within the Province.

Spending Trends:

All items requisitioned for use in the administration of the depot are channelled through a budget committee to ensure that funds are available and that the Budget for the Depot not be overspent.

Services rendered by the Trading Entity:

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

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

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

CAPE MEDICAL DEPOT

The Accounting Officer's Report for the year ended 31 March 2005

Tariff Policy:

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

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

Levies are not intended to result in a profit or loss accruing.

Capacity Constraints:

- ❖ *Interest on Capital* – The CMD is currently the only Depot in the country to carry this expenditure.
- ❖ *Working capital* – The working capital has to be reviewed and increased annually in order to meet the increasing demands. The biggest factor impacting on the CMD's capability to trade efficiently is the relatively high medical inflation.
- ❖ *Physical limitations of the building* – This limits further expansion and leads to operational inefficiencies. In this regard a recent report by the SA Pharmacy Council highlighted several shortcomings in the building which will require rectification in order to ensure that the building complies with legislation that becomes effective on the 1st July 2005.
- ❖ *The Basic Accounting System (BAS)* – This system was introduced in the 2004/05 financial year and together with MEDSAS resulted in significant problems and at times delayed the procurement of goods and services significantly. Whilst the initial problems have been addressed some problems have continued in certain areas.
- ❖ *Cash to Accrual Accounting* – The time and system constraints with regards to complying with the accounting principles of GAAP.

Utilisation of Donor Funds:

No donor funding was received at the CMD.

Business Address:

16 Chiappini Street
Cape Town
8001

Private Bag 9036
Cape Town
8000

New/Proposed Activities

The Department will be constructing a larger Oudtshoorn Medical Sub-Depot to cater for increased demand and to comply with legislation during the 2005/2006 financial year.

It is also envisaged that the Pre-pack Unit currently situated at Karl Bremer Hospital be re-located to the CMD Warehouse during the current financial year.

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

CAPE MEDICAL DEPOT

The Accounting Officer's Report for the year ended 31 March 2005

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

Events after the Balance Sheet date:

No material events.

Performance Information:

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

	2004/2005	2003/2004
Stock Turnover	6,19	8,23
Dues Out	8,31%	11,88%
Service Level	90%	80%

Stock turnover target is set at 8 by National Treasury. During the year under review, in order to compensate for erratic supplier performance, stock holding was increased significantly, resulting in a reduced stock turnover. However, this resulted in an improvement of service level, (defined as the number of orders satisfied within 48 hours of receipt) from 80% in 2003/04, to 90% in 2004/05.

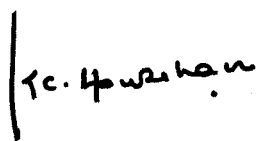
Other:

Information presented in the financial statements has been reported in line with the new Standard Chart of Accounts introduced on 1 April 2004. Information presented in the 2003/2004 Annual Financial Statements will therefore differ to the comparative figures used for 2003/2004 financial year in this report.

The financial statements have been compiled in line with the Generally Accepted Accounting Practice (GAAP).

Approval:

The Annual Financial Statements set out on pages 142 to 158 have been approved by the Accounting Officer.



PROFESSOR KC HOUSEHAM
ACCOUNTING OFFICER
DATE: 10 June 2005

**WESTERN CAPE PROVINCE
DEPARTMENT OF HEALTH**

**REPORT OF THE AUDITOR-GENERAL TO THE PROVINCIAL PARLIAMENT OF THE WESTERN CAPE ON
THE FINANCIAL STATEMENTS OF THE CAPE MEDICAL DEPOT TRADING ACCOUNT FOR THE YEAR
ENDED 31 MARCH 2005**

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**REPORT OF THE AUDITOR-GENERAL TO THE PROVINCIAL PARLIAMENT
OF THE WESTERN CAPE ON THE FINANCIAL STATEMENTS
OF THE CAPE MEDICAL DEPOT
FOR THE YEAR ENDED 31 MARCH 2005**

1. AUDIT ASSIGNMENT

The financial statements as set out on pages 142 to 158, 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.

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 Cape Medical Depot at 31 March 2005 and the results of its operations and cash flows for the year then ended, in accordance with generally accepted accounting practice and in the manner required by the Public Finance Management Act, 1999 (Act No 1 of 1999).

4. EMPHASIS OF MATTER

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

4.1 General control environment weaknesses

- (a) Proof of inventory deliveries to institutions by a third party courier could not always be provided for audit purposes;
- (b) Revenue generated from inventory delivered to institutions after year-end, was accrued for in the current financial year;

4.2 Internal audit

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

No internal audit work has, however, been performed at the depot during the financial year under review upon which reliance could be placed.

4.3 Late submission of financial statements

Section 40(1)(c)(i) of the PFMA requires the financial statements to be submitted to the Auditor-General within two months (31 May 2005) after the end of the financial year. The accounting officer submitted signed financials to this office on 10 June 2005, which is considered a late submission and non-compliance with the requirements of the PFMA.

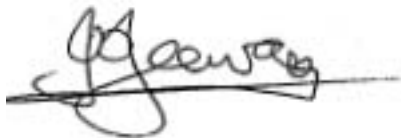
4.4 Delay in the finalisation of the audit report

In terms of section 40(2) of the PFMA, the Auditor-General must audit the financial statements and submit an audit report on those statements to the accounting officer within two months (10 August 2005) of the receipt of the statements.

The audit report was not finalised in terms of the requirements stipulated above as additional audit work needed to be performed relating to the entity changing from a cash basis of accounting to an accrual basis of accounting.

5. Appreciation

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



I Jeewa for Auditor-General

Cape Town

30 August 2005



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

CAPE MEDICAL DEPOT

Accounting Policies for the year ended 31 March 2005

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

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

1 Basis of preparation

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

2 Currency

These financial statements are presented in South African Rands.

3 Revenue recognition

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

4 Expenditure

Compensation of Employees

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

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

Short-term employee benefits

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

5 Retirement benefit costs

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

6 Irregular and fruitless and wasteful expenditure

Irregular expenditure means expenditure incurred in contravention of, or not in accordance with, a requirement of any applicable legislation, including:

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

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

CAPE MEDICAL DEPOT

Accounting Policies for the year ended 31 March 2005

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

7 Unusual items

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

8 Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation.

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

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

9 Impairment

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

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

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

10 Inventories

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

Cost is determined on the following bases:

- All inventories are valued at average cost.

CAPE MEDICAL DEPOT

Accounting Policies for the year ended 31 March 2005

11 Financial instruments

Financial assets

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

- Trade receivables

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

Financial liabilities

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

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

- Trade payables

Trade and other payables are stated at their nominal value.

12 Provisions

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

13 Changes in accounting estimates and errors

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

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

14 Lease commitments

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

Operating lease expenditure is expensed when the payment is made.

Cape Medical Depot

**Statement of Financial Performance
for the year ended 31 March 2005**

		2004/05	2003/04
	Notes	R'000	R'000
Continuing operations			
Revenue	2	297,337	284,556
Cost of sales	3	(281,680)	(270,171)
Gross profit		<u>15,657</u>	<u>14,385</u>
Other Income	4	<u>6,521</u>	<u>4,469</u>
		<u>22,178</u>	<u>18,854</u>
Administrative expenses	5	(1,900)	(2,596)
Staff costs	6	(10,194)	(9,823)
Transfers and subsidies	7	(25)	(22)
Other operating expenses	8	(5,316)	(5,577)
Depreciation	9	<u>(85)</u>	<u>(79)</u>
Net profit for the year		<u><u>4,658</u></u>	<u><u>757</u></u>

Cape Medical Depot
Statement of Financial Position
as at 31 March 2005

	<i>Note</i>	2004/05 R'000	2003/04 R'000
ASSETS			
Non-current assets			
Property, plant and equipment	10	531	549
		<u>531</u>	<u>549</u>
Current assets			
Inventories	11	46,457	32,354
Trade and other receivables	12	1,307	3,576
Prepayments and advances	13	5	-
		<u>47,769</u>	<u>35,930</u>
Total assets		<u>48,300</u>	<u>36,479</u>
EQUITY AND LIABILITIES			
Capital and reserves			
	14	34,402	31,316
Current liabilities			
Provisions	15	913	852
Cash and cash equivalents	16	6,089	2,483
Trade and other payables	17	6,896	1,828
		<u>13,898</u>	<u>5,163</u>
Total equity and liabilities		<u>48,300</u>	<u>36,479</u>

Cape Medical Depot

**Statement of Changes in Equity
for the year ended 31 March 2005**

	Trading Fund R'000	Accumulated profit/(loss) R'000	Total R'000
Balance at 1 April 2003	30,000	-	30,000
- Correction of error see note 18		269	269
Net profit for the year		757	757
Transfers to Provincial Revenue Fund		(1,710)	(1,710)
Transfers from Department of Health	2,000		2,000
Balance at 1 April 2004	32,000	(684)	31,316
Net profit for the year		4 658	4,658
Transfers to Provincial Revenue Fund		(5,675)	(5,675)
Transfers from Department of Health	4,103		4,103
Balance at 31 March 2005	<u>36,103</u>	<u>(1,701)</u>	<u>34,402</u>

Cape Medical Depot
Cash Flow Statement
for the year ended 31 March 2005

	<i>Note</i>	2004/05 R'000	2003/04 R'000
Operating activities			
Cash utilised in operations	19	(1,966)	(14,475)
Net cash used in operating activities		<u>(1,966)</u>	<u>(14,475)</u>
Net cash used in investing activities	20	<u>(67)</u>	<u>(359)</u>
Net cash from/(used in) financing activities	21	<u>(1 573)</u>	<u>290</u>
Net decrease in cash and cash equivalents		(3,606)	(14,544)
Cash and cash equivalents at the beginning of the year	16	<u>(2,483)</u>	<u>12,061</u>
Cash and cash equivalents at end of the year	16	<u><u>(6,089)</u></u>	<u><u>(2,483)</u></u>

Cape Medical Depot

Notes to the Annual Financial Statements for the year ended 31 March 2005

1 Adoption of South African Accounting Standards

This is the first year that the financial statements have been prepared in accordance with the South African statements of GAAP. Previously the financial statements have been prepared using the cash basis of accounting. The financial statements for the year ended 31 March 2004 have been restated to reflect the financial position, performance and cash flows of the entity in accordance with GAAP. Note 18 provides a reconciliation between the financial statements as previously published and the financial statements as restated in accordance with GAAP. The financial statements for the current year have been prepared in accordance with GAAP.

2 Revenue

	Note	2004/05 R'000	2003/04 R'000
--	------	------------------	------------------

An analysis of the Cape Medical Depot's revenue is as follows:

Sales of goods		297,337	284,556
Hospitals, NGO's, Provincially Aided Hospitals and Local Authorities		297,337	284,556
Total		297,337	284,556

3 Cost of sales

	R'000	R'000
--	-------	-------

Freight Service	3,615	3,505
Packaging	779	1,084
Purchases	277,286	265,582
Total	281,680	270,171

4 Other Income

	R'000	R'000
--	-------	-------

Medsas Price Variance Rebates & ST36		
Penalties levied for late delivery	6,521	4,469
Total	6,521	4,469

5 Administrative expenses

	R'000	R'000
--	-------	-------

General and Administrative expenses	1,550	2,328
Auditor's remuneration	138	94
- Audit fees	138	94
Travel and subsistence	155	89
Rentals in respect of operating leases (minimum lease payments)	57	85
- Machinery and equipment	57	85
Total	1,900	2,596

Cape Medical Depot

**Notes to the Annual Financial Statements
for the year ended 31 March 2005**

6	Staff costs	2004/05 R'000	2003/04 R'000
	Wages and Salaries	8,801	8,426
	Basic salaries	7,344	6,614
	Performance awards	84	13
	Periodic payments	9	3
	Other non-pensionable allowance	1,068	829
	Leave payments		848
	Overtime pay	296	119
	Defined Pension contribution plan expense	919	882
	Social contributions (Employer's contributions)	474	515
	Medical	471	513
	Official unions and associations	3	2
	Total	10,194	9,823
7	Transfers and subsidies	R'000	R'000
	Transfers		
	Local Governments	25	22
	Total	25	22
8	Other operating expenses	2004/05 R'000	2003/04 R'000
	Staff training and development	146	-
	Consultants, contractors and special services	75	104
	Equipment items expensed as per entity policy	224	55
	Maintenance, repairs and running costs	68	72
	- Machinery and equipment	51	41
	- Other maintenance, repairs and running costs	17	31
	Other	4,803	5,346
	Total	5,316	5,577
9	Depreciation	R'000	R'000
	- Computer equipment and peripherals	75	69
	- Office furniture and fittings	10	10
	Total	85	79

Cape Medical Depot

**Notes to the Annual Financial Statements
for the year ended 31 March 2005**

10 Plant and equipment	Computer equipment and peripherals R'000	Office Furniture and fittings R'000	TOTAL R'000
Year ended 31/3/2004			
Opening net carrying amount	250	20	270
Gross carrying amount	288	22	310
Accumulated depreciation	(38)	(2)	(40)
Additions	105	253	358
Depreciation charge	(69)	(10)	(79)
Net carrying amount 31 March 2004	286	263	549
Year ended 31/3/2005			
Opening net carrying amount	286	263	549
Gross carrying amount	393	275	668
Accumulated depreciation	(107)	(12)	(119)
Additions	60	7	67
Depreciation charge	(75)	(10)	(85)
Net carrying amount 31 March 2005	271	260	531

11 Inventories	2004/05 R'000	2003/04 R'000
Work in progress	6,457	3,735
Finished goods	40,000	28,619
Total	46,457	32,354

12 Trade and other receivables	R'000	R'000
Trade receivables	549	1,666
	549	1,666
Other receivables:		
Disallowance Miscellaneous	66	6
Stock Losses awaiting write-off approval	769	2,111
Accounts Receivable Adjustments	(77)	(207)
	758	1,910
Total	1,307	3,576

Trade and other receivables were evaluated based on age analysis at year-end and on past experience, and it was concluded that no provision for bad debts needed to be provided for.

13 Prepayments and advances	R'000	R'000
Travel and Subsistence	5	-
Closing balance	5	-

Advance made to staff member in respect of subsistence & travel expenses.

Cape Medical Depot

**Notes to the Annual Financial Statements
for the year ended 31 March 2005**

14 Capital and reserves

	Trading Fund R'000	Accumulated profit/(loss) R'000	TOTAL R'000
Balance at 1 April 2003	30,000		30,000
- Correction of error see note 18		269	269
Net profit for the year		757	757
Transfers to the Provincial Revenue Fund		(1,710)	(1,710)
Transfers from the Department of Health	2,000		2,000
Balance at 1 April 2004	32,000	(684)	31,316
Net profit for the year		4,658	4,658
Transfers to the Provincial Revenue Fund		(5,675)	(5,675)
Transfers from the Department of Health	4,103		4,103
Balance at 31 March 2005	36,103	(1,701)	34,402

15 Provisions (2005)

Description of Components of Provisions	Provision for Performance Bonuses R'000	Provision for Capped Leave R'000	TOTAL PROVISIONS R'000
Opening balance	13	839	852
Provisions made during the year	84		84
Amounts utilised against the Provision	(13)	(10)	(23)
Closing balance	84	829	913

Provisions (2004)

Description of Components of Provisions	Provision for Performance Bonuses R'000	Provision for Capped Leave R'000	TOTAL PROVISIONS R'000
Opening balance	0	0	0
Additional provision raised for the year	13	839	852
Amounts utilised against the provision	0	0	0
Closing balance	13	839	852

16 Cash and cash equivalents

	2004/05 R'000	2003/04 R'000
Cash owed to Western Cape Department of Health	(6,089)	(2,483)
	(6,089)	(2,483)
For the purpose of the cash flow statement:		
Cash and cash equivalents at the beginning of the year	(2,483)	12,061

Cape Medical Depot

Notes to the Annual Financial Statements for the year ended 31 March 2005

17 Trade and other payables	2004/05 R'000	2003/04 R'000
Trade creditors	6,875	1,805
Commitments	21	23
	6,896	1,828

Commitments consist of provisions made for overtime owed to staff of CMD at the end of the financial year.

18 Fundamental error

This is the first year that the financial statements have been prepared in accordance with the South African statements of GAAP. Previously the financial statements have been prepared using the cash basis of accounting. The financial statements for the year ended 31 March 2004 have been restated to reflect the financial position, performance and cash flows of the entity in accordance with GAAP. This provides reconciliation between the financial statements as previously published and the financial statements as restated in accordance with GAAP. The financial statements for the current year have been prepared in accordance with GAAP.

The following table is an indication of the extent to which the Balance Sheet has been restated. It begins with the balances as previously stated in the published financial statements for the year ended 31 March 2004 and provides a reconciliation, with explanations of the entries that have been passed, to restate the financial statements in accordance with requirements of GAAP.

Description	PPE DR/(CR)	Inven- tories DR/(CR)	Re- ceivables DR/(CR)	Cash DR/(CR)	Payables DR/(CR)	Provi- sions DR/(CR)	Acc Surp DR/(CR)	Explan- ation Note No
Balance as per cash accounting AFS:	0	28,448	4,412	(1,831)	971	0	0	
Reclassification of Issues in Transit to Oudtshoorn		970			(970)			1
Reclassification of Pre-packing		2,745	(2,745)					2
Stock Loss Suspense Acc outside of Trading Acc Fund on FMS			2,111	(2,111)				3
Stock Surplus Suspense Acc outside of Trading Acc Fund on FMS				1,240	(1,240)			4
Disall:CMD Demanders Susp Acc outside of Trading Acc Fund on FMS			5	(5)				5
CMD-DDV Creditors outside of Trading Acc Fund on FMS				224	(224)			6
Capitalisation of PPE 0304	359	-	-	-	-	-	(359)	7
Accumulated dep 0304	(79)	-	-	-	-	-	79	8
Correction of opening balance of accumulated surplus	269						(269)	9
Reversal of 0405 sales	-	-	(207)	-	-	-	207	10

Cape Medical Depot

Notes to the Annual Financial Statements for the year ended 31 March 2005

Description	PPE DR/(CR)	Inven- tories DR/(CR)	Re- ceivables DR/(CR)	Cash DR/(CR)	Payables DR/(CR)	Provi- sions DR/(CR)	Acc Surp DR/(CR)	Expla- nation Note No
Reversal of 0405 Cost of sales	-	191	-	-	-	-	(191)	11
Accrual for goods and services received	-	-	-	-	(342)	-	342	12
Provision for performance bonuses	-	-	-	-	-	(13)	13	13
Provision for capped leave	-	-	-	-	-	(839)	839	14
Provision for overtime	-	-	-	-	(23)	-	23	15
Balance as per GAAP AFS	549	32,354	3,576	(2,483)	(1,828)	(852)	684	

Explanation 1: Reclassification of Issues from CMD to Oudtshoorn Sub-depot not yet posted: This is the value of stock booked out on Medsas to the Oudtshoorn Sub-depot which has not yet been booked in at Oudtshoorn (Issues in Transit). Previously this was incorrectly accounted for under payables, instead of restating inventories.

Explanation 2: Reclassification of Pre-pack Suspense Account: This is the value of stock in transit between the depot and the Pre-pack Unit. Previously this was incorrectly accounted for under receivables, instead of restating inventories.

Explanation 3: Stock Loss Suspense Accounts outside of the Trading Account Fund on FMS: This amount is made up of the following debit balances, which reflects the stock losses identified on Medsas that has not yet been approved for write-off to the trading account:
 Suspense: Prepack Loss R8
 Suspense: Stock Loss R2,103
 On the Financial Management System (FMS) these accounts were outside of the Trading Account Fund on the Trial Balance and therefore not reported on in the AFS of the CMD. With the conversion to the Basic Accounting System (BAS) on 1 April 2004, these accounts were included under one Trading Account Fund on BAS, and are therefore now reported on in the AFS. These balances have now been included and the 2003/2004 balances iro receivables and cash restated.

Explanation 4: Stock Surplus Suspense Accounts outside of the Trading Account Fund on FMS: This amount is made up of the following credit balances, which reflects the stock surplusses identified on Medsas that has not yet been approved for write-off to the trading account:
 Suspense: Prepack Surplus R 21
 Suspense: Stock Surplus R1,219
 On FMS these accounts were outside of the Trading Account Fund on the Trial Balance and therefore not reported on in the AFS of the CMD. With the conversion to BAS on 1 April 2004, these accounts were included under one Trading Account Fund on BAS, and are therefore now reported on in the AFS. These balances have now been included and the 2003/2004 balances iro cash and payables restated.

Explanation 5: Disallowance:CMD Demanders Account outside of the Trading Account Fund on FMS: This amount is the debit balance reflected at year-end on this suspense ledger on FMS, which was outside of the Trading Account Fund on the Trial Balance and therefore not reported on in the AFS of the CMD. With the conversion to BAS on 1 April 2004, this account was included under one Trading Account Fund on BAS, and is therefore now reported on in the AFS. These balances have now been included and the 2003/2004 balances iro receivables and cash restated.

Cape Medical Depot

Notes to the Annual Financial Statements for the year ended 31 March 2005

- Explanation 6: CMD-DDV Creditors outside of Trading Acc Fund on FMS:** This amount is the credit balance reflected at year-end on this suspense ledger on FMS, which was outside of the Trading Account Fund on the Trial Balance and therefore not reported on in the AFS of the CMD. This is the value of outstanding creditors in respect of the Direct Delivery Suppliers (DDV's posted not yet paid). With the conversion to BAS on 1 April 2004, this account was included under one Trading Account Fund on BAS, and is therefore now reported on in the AFS. These balances have now been included and the 2003/2004 balances iro cash and payables restated.
- Explanation 7: Assets capitalised that was previously shown as expenses in the 2003/2004 Annual financial statements.** The affect of the adjustment is that expenses are decreased by R359 and Assets increased by R359.
- Explanation 8: Recording of depreciation for the financial year 2003/2004 on assets raised on the implementation of GAAP.** The affect of the adjustment is that expenses are increased with R79 and Accumulated Depreciation increased by R79.
- Explanation 9: Correction of opening balance of accumulated surplus.** This amount presents the net affect of the raising of assets expensed in prior years of R359 and the raising of the accompanying accumulated depreciation for these assets of R79. The effect of these adjustments is that an opening balance of accumulated surplus of R269 is established.
- Explanation 10: Reversal of 0304 sales.** This amount represents the reversal of sales that was previously recorded but the goods were not yet delivered at year end. The affect of this adjustment is that sales and the surplus for the year is decreased by R207.
- Explanation 11: Reversal of 0304 cost of sales.** This amount represents the reversal of the cost of sales in respect of the sales mentioned under explanation 10. The affect of this adjustment is that cost of sales is decreased and the surplus for the year increased by R191.
- Explanation 12: Accrual for goods and services received.** As at 31 March 2004 CMD had incurred expenditure, but had not yet paid the creditors in respect of this expenditure. The effect of this adjustment is to reduce the accumulated surplus as these expenses should have been included in the income statement of CMD for the year ended 31 March 2004 and to increase payables to reflect the obligation resting on CMD to pay for expenditure already incurred by the entity.
- Explanation 13,14,15: Employee benefits.** The purpose of these adjustments was to recognise expenditure and an obligation in respect of benefits earned by employees by CMD before 31 March 2004, but paid by CMD after 31 March 2004. The effect of the adjustments was that the accumulated surplus was reduced as these expenses were incurred before the end of the financial year, and an obligation was recognised to reflect the liability of CMD in respect of benefits earned by employees at 31 March 2004.

Cape Medical Depot

Notes to the Annual Financial Statements for the year ended 31 March 2005

The following indicates the correction of Fundamental errors that have an effect on the Income Statement, which are as follows:

Description	Original figures	New format figures	Adjusted figures	Adjustments made	Explanation
Revenue	284,764	284,763	284,556	208	1
Other income	4,504	4,469	4,469		
Total	289,268	289,232	289,025	208	
Cost of Sales	270,067	270,067	270,171	104	2
Gross Profit	19,201	19,165	18,854	312	
Expenses	17,491	17,455	18,097	642	
Admin	500	2,556	2,596	40	3
Personnel	8,949	8,948	9,823	875	4
Stores & Livestock	409	-	-	-	
Equipment	486	-	-	-	
Prof. & Special Services	1,886	-	-	-	
Misc./Other	5,261	5,929	5,577	(352)	5
Transfers and subsidies	-	22	22	-	
Depreciation	-	-	79	79	6
Net Profit for the year	1,710	1,710	757		

The purpose of the table above is as follows. Firstly, the column called original figures sets out the amounts as classified in the Income Statement published for the year ended 31 March 2004, according to the cash accounting method. The second column called new format figures is a reclassification of the March 2004 cash accounting Income statement into the new classes of expenditure as required by National Treasury on their Annual Financial Statement Template. The amounts of revenue and expenses have not changed in total they have only been reclassified into the new format descriptions. The third column called adjusted figures sets out the revenue and expenditure as disclosed in the comparative figures for the financial statements for the year ended 31 March 2005. These figures reflect the revenue and expenditure of CMD for the year ended 31 March 2004, based on GAAP. The final column explains the difference between column 2 and 3 i.e. the adjustments that have been made to the Cash Accounting Income Statement for the year ended 31 March 2004 to ensure that it is GAAP compliant.

Set out below is an explanation of the adjustments that have been made:

Explanation 1: Revenue reduced by R 208: The reason for the decrease in revenue is as a result of the correction of sales that was recorded although the inventory was not delivered at year end. The details are set out under explanation 10 in the section explaining the adjustments made to the Balance Sheet as set out above.

Explanation 2: Cost of sales increased by R104: The reason for the increase in cost of sales is as a result of the correction of cost of sales of R191(credit) explained in explanation 11 and the provision of packing material delivered to the CMD in 0304 but paid in 0405 of R295 (debit).

Explanation 3: Administrative expenditure increased by R 40: This increase is as a result of adjustments made by CMD in respect of general & admin of R39 and travel & subsistence expenses of R1 for accounts prior to 31 March 2004, which were only paid in the new financial year.

Cape Medical Depot

Notes to the Annual Financial Statements for the year ended 31 March 2005

Explanation 4: Personnel expenditure increased by R 875: The reason for the increase in personnel expenditure is as a result of provisions and accruals raised by CMD in respect of employee benefits earned by employees before 31 March 2004 and only paid in the new financial year. These benefits include amounts for performance bonuses, overtime and capped leave.

Explanation 5: Miscellaneous / other expenditure decreased by R 352: This decrease is as a result of amounts recognised iro PPE to the amount of R359 (credit) that was previously expensed instead of capitalised, as well as provisions made for consultant services of R3 (debit) and maintenance and repairs of R4 (debit) made by the CMD iro goods and services delivered to CMD prior to 31 March 2004, which were only paid in the 04/05 financial year.

Explanation 6: Depreciation increased by R 79: The reason for the increase in depreciation is the recording of depreciation on assets capitalised. The details are set out under explanation 8 in the section explaining the adjustments made to the Balance Sheet as set out above.

19	Reconciliation of profit before taxation to cash utilised in operations	2004/05 R'000	2003/04 R'000
	Profit before taxation	4,658	757
	Adjusted for:		
	- Depreciation on plant and equipment	85	79
	- Accrual raised for goods & services received	1,293	364
	- Increase in provisions	61	852
	Operating cash flows before working capital changes	6,097	2,052
	Working capital changes	(8,063)	(16,527)
	- Increase in inventories	(14,102)	(6,094)
	- Decrease in receivables	2,262	93
	- Increase/(decrease) in payables	3,777	(10,526)
	Cash utilised in operations	(1,966)	(14,475)
20	Net cash used in investing activities	R'000	R'000
	Acquisition of plant and equipment	(67)	(359)
	Cash used in investing activities	(67)	(359)
21	Net cash from/(used in) financing activities	R'000	R'000
	Financing activities		
	Revenue surrendered to the Provincial Revenue Fund	(5,676)	(1,710)
	Transfers from the Provincial Department of Health	4,103	2,000
	Cash from/(used in) financing activities	(1,573)	290

Cape Medical Depot

Notes to the Annual Financial Statements for the year ended 31 March 2005

22	Contingent Liabilities	2004/05 R'000	2003/04 R'000
22.1	Housing Loan guarantees (Employees)	144	144

22.2

A supplier instituted a claim in the Pretoria High Court against the CMD, arising from monies recovered in terms of State Tender Board regulations during the period 1999/2000. If successful the CMD will be liable for the costs of suit and damages. It is impossible to quantify the claim at this stage. This implies that a contingent liability exists, but has not been raised in the financial statements as the existence of this obligation will only be confirmed pending the outcome of the court case.

23 Operating lease arrangements

The CMD as lessee

The contract expired in respect of these operating lease agreements on 28/02/2005 and is renewed on a month to month basis at the same rate and is cancellable within a 30-day notice period.

	2004/05 R'000	2003/04 R'000
Up to 1 year	66	66
1 to 5 years	-	-
More than 5 years	-	-
	66	66

PART 5: HUMAN RESOURCE MANAGEMENT (OVERSIGHT REPORT)

5.1 Service delivery

The Department is currently developing a Service Delivery Improvement (SDI) Plan.

5.2 Expenditure

Departments budget in terms of clearly defined programmes. The following tables summarise final audited expenditure by programme (Table 5.2.1) and by salary bands (Table 5.2.2). In particular, it provides an indication of the amount spent on personnel costs in terms of each of the programmes or salary bands within the Department.

Table 5.2.1: Personnel costs by programme, 2004/05

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Personnel cost as a percent of total expenditure	Average personnel cost per employee (R'000)	Total number of employees
	A	B	C	D	E	F	G
Programme 1	213,316	100,869	614	4,268	47%	173	582
Programme 2	1,330,397	615,784	3,305	29,056	46%	105	5843
Programme 3	198,170	113,814		1,061	57%	118	964
Programme 4	1,176,641	776,942	2,456	36,209	66%	123	6334
Programme 5	1,805,918	1,117,994	1,094	43,010	62%	130	8624
Programme 6	73,541	35,776	73,541	849	49%	77	465
Programme 7	82,752	38,288	216		46%	85	452
Total	4,880,735	2,799,467	81,226	114,453	57%	120	23264

Notes:

- The above expenditure totals and personnel totals excludes Medsas (100).
- Expenditure of Sessional (03), periodical (17) and extraordinary (32) appointments are included in the expenditure but not in the personnel totals which inflate the average personnel cost per employee.
- Compensation of Employees / Social Contributions: This excludes SCOA item HH/Employer Social Benefits on BAS.
- Goods and Services: Consists of the SCOA item Consultants, Contractors and Special Services on BAS.
- The total number of employees is the average of employees that was in service as on 2004/03/31 and 2005/03/31.

Table 5.2.2: Personnel costs by salary bands, 2004/05

Salary bands	Personnel Expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)	Total number of employees
Lower skilled (Levels 1 - 2)	237,461	8.44	52	4,576
Skilled (Levels 3 - 5)	551,831	19.62	76	7,282
Highly skilled production (Levels 6 - 8)	1,178,454	41.89	131	9,029
Highly skilled supervision (Levels 9 - 12)	785,749	27.93	345	2,275
Senior management (Levels 13 - 16)	59,777	2.12	586	102
Total	2,813,272	100.00	121	23,264

Notes:

- The above expenditure totals excludes the Medsas (100) and EU Funding Personnel (32).
- Expenditure of Sessional (03), periodical (17) and extraordinary (32) appointments are included in the expenditure but not in the personnel totals which inflate the average personnel cost per employee.
- Expenditure of the joint establishment (universities conditions of service) is excluded in the above as the employees are not on the fixed establishment of the Department of Health and for this reason the average is lower than that of Table 5.2.1.
- The SMS cost includes commuted overtime of Health Professionals which inflates the average personnel cost per employee.
- Recruitment allowances (Scarce Skills and Rural) have been implemented backdated w.e.f 1 July 2003 and this inflates the average personnel costs per employee.

The following tables provide a summary per programme (Table 5.2.3) and salary bands (Table 5.2.4), of expenditure incurred as a result of salaries, overtime, home owners allowance and medical assistance. In each case, the table provides an indication of the percentage of the personnel budget that was used for these items.

Table 5.2.3: Salaries, Overtime, Home Owners Allowance and Medical Assistance by programme, 2004/05

Programme	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Over-time as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Programme 1	96,841	96.01	993	0.98	1,278	1.27	4,331	4.29
Programme 2	550,867	89.46	31,018	5.04	9,194	1.49	26,088	4.24
Programme 3	101,079	88.81	5,875	5.16	1,316	1.16	5,686	5.00
Programme 4	668,498	86.04	59,321	7.64	13,292	1.71	33,211	4.27
Programme 5	949,639	84.94	124,197	11.11	18,096	1.62	43,168	3.86
Programme 6	28,993	81.04	238	0.67	447	1.25	1,488	4.16
Programme 7	33,665	87.93	1,845	4.82	955	2.49	1,654	4.32
Total	2,429,582	86.79	223,487	7.98	44,578	1.59	115,626	4.13

Notes:

- The above expenditure totals excludes the Medsas and EU Funding personnel.
- Expenditure of Sessional (03), periodical (17) and abnormal (32) appointments are included in the expenditure.
- Expenditure of the joint establishment (universities conditions of service) is excluded in the above.
- Commuted overtime is included in salary bands Highly skilled supervision (Levels 9-12) and Senior Management (Levels 13-16).

Table 5.2.4: Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands, 2004/05

Salary Bands	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Over-time 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)	212,752	89.59	8,554	3.60	6,982	2.94	9,173	3.86
Skilled (Levels 3 - 5)	484,946	87.88	24,060	4.36	13,794	2.50	29,030	5.26
Highly skilled production (Levels 6 - 8)	1,052,621	89.32	48,058	4.08	19,422	1.65	58,354	4.95
Highly skilled supervision (Levels 9 - 12)	628,156	79.94	136,030	17.31	4,380	0.56	17,183	2.19
Senior management (Levels 13 - 16)	51,106	85.49	6,785	11.35			1,886	3.16
Total	2,429,581	88.19	223,487	8.11	44,578	1.62	115,626	4.20

Notes:

- The above expenditure totals excludes the Medsas and EU Funding Personnel.
- Expenditure of sessional (03), periodical (17) and abnormal (32) appointments are included in the expenditure.
- Expenditure of the joint establishment (universities conditions of service) is excluded in the above.
- Commuted overtime is included in salary bands Highly skilled supervision (Levels 9-12) and Senior Management (Levels 13-16).

5.3 Employment and Vacancies

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment. This information is presented in terms of three key variables: - programme (Table 5.3.1), salary band (Table 5.3.2) and critical occupations (Table 5.3.3). Departments have identified critical occupations that need to be monitored. Table 5.3.3 provides establishment and vacancy information for the key critical occupations of the Department.

The vacancy rate reflects the percentage of posts that are not filled.

Table 5.3.1: Employment and vacancies by programme, 31 March 2005

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Programme 1	892	589	33.97	27
Programme 2	7,427	5,871	20.95	37
Programme 3	1,283	1,075	16.21	0
Programme 4	7,885	6,267	20.52	3
Programme 5	9,411	8,504	9.64	20
Programme 6	891	372	58.25	0
Programme 7	621	456	26.57	1
EU Funding Posts				32
Medsas	167	99	40.72	4
Total	28,577	23,233	18.70	124

Notes:

- Nature of appointments sessional (03) is excluded.
- Nature of appointments periodical (17) and abnormal (32) are also excluded. No posts.
- Number of posts includes 3,676 unfunded posts which inflates the vacancy rate.
- The vacancy rate for Programme 6 includes student posts that became vacant as a result of the allocations of bursaries to new intakes.

Table 5.3.2: Employment and vacancies by salary bands, 31 March 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)	5,644	4,482	20.59	2
Skilled (Levels 3 - 5)	8,678	7,102	18.16	37
Highly skilled production (Levels 6 - 8)	11,138	9,069	18.58	20
Highly skilled supervision (Levels 9 - 12)	2,815	2,379	15.49	29
Senior management (Levels 13 - 16)	135	102	24.44	0
EU Funding Posts				32
Medsas	167	99	40.72	4
Total	28,577	23,233	18.70	124

Notes:

- Nature of appointments sessional (03) is excluded.
- Nature of appointments periodical (17) and abnormal (32) are also excluded. No posts.
- Number of posts includes 3,676 unfunded posts.

Table 5.3.3: 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
Dietician	65	52	20.00	0
Medical Ort & Prosthetist	24	19	20.83	0
Medical Physicist	9	7	22.22	1
Occupational Therapist	114	90	21.05	0
Physiotherapist	113	95	15.93	0
Radiographer	486	366	24.69	1
Oral Hygienist	34	24	29.41	0
Clinical Technologist	87	78	10.34	0
Speech Therapists	32	24	25.00	0
Industrial Technician	72	51	29.17	0
Total	1,036	806	22.20	2

Notes:

- Nature of appointments sessional (03) is excluded.
- Nature of appointments periodical (17) and abnormal (32) are also excluded. No posts.

The information in each case reflects the situation as at 31 March 2005. For an indication of changes in staffing patterns over the year under review, please refer to section 5.5 of this report.

5.4 Job evaluation

The Public Service Regulations, 1999 introduced job evaluation as a way of ensuring that work of equal value is remunerated equally. Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. This was complemented by a decision by the Minister for the Public Service and Administration that all SMS jobs must be evaluated before 31 December 2002.

The following table (Table 5.4.1) summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

Table 5.4.1: Job Evaluation, 1 April 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)	5,700	0	0.00	0	0.00	0	0.00
Skilled (Levels 3 - 5)	8,776	198	2.26	198	100.00	1	0.51
Highly skilled production (Levels 6 - 8)	11,247	401	3.57	401	100.00	1	0.25
Highly skilled supervision (Levels 9 - 12)	2,864	59	2.06	59	100.00	0	0.00

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
Senior Management (Service Band A)	101	0	0.00	0	0.00	0	0.00
Senior Management (Service Band B)	30	0	0.00	0	0.00	0	0.00
Senior Management (Service Band C)	3	0	0.00	0	0.00	0	0.00
Senior Management (Service Band D)	1	0	0.00	0	0.00	0	0.00
Grand Total	28,722	658	2.29	658	100.00	2	0.30

Notes:

- Nature of appointments sessional (03) is excluded.

The following table provides a summary of the number of employees whose salary positions were upgraded due to their posts being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into new posts and some of the posts upgraded could be vacant

Table 5.4.2: Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2004 to 31 March 2005

Beneficiaries	African	Asian	Coloured	White	Total
Female	15	1	62	22	100
Male	61	1	434	54	550
Total	76	2	496	76	650
Employees with a disability	0	0	0	0	0

Notes:

- Nature of appointments sessional (03) is excluded.
- Posts in the occupational category Registrars, Medical Officers, Pharmacists and Emergency Care Practitioners were upgraded and the post incumbents were absorbed in the higher graded posts.

The following table summarises the number of cases where remuneration levels exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

Table 5.4.3: Employees whose salary level exceed the grade determined by job evaluation, 1 April 2004 to 31 March 2005 (in terms of PSR 1.V.C.3)

Occupation	No of employees	Job evaluation level	Remuneration level	Reason for deviation
Specialist	3	11	12	Retention of scarce skills
Medical Physicist	1	9	10	Retention of scarce skills
Radiographer	2	7	8	Retention of scarce skills
Professional Nurse	4	6	8	Retention of scarce skills
Auxiliary Serv. Officer	1	4	5	Retention of scarce skills
Personnel Practitioner	1	7	8	Retention of scarce skills

Total Number of Employees whose salaries exceeded the level determined by job evaluation in 2003/04	14
Percentage of total employment	0,006

Table 5.4.4 summarises the beneficiaries of the above in terms of race, gender, and disability.

Table 5.4.4: Profile of employees whose salary level exceed the grade determined by job evaluation, 1 April 2004 to 31 March 2005 (in terms of PSR 1.V.C.3)

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	1	2	8	11
Male	0	0	1	2	3
Total	0	1	3	10	14

5.5 Employment changes

This section provides information on changes in employment over the financial year.

Turnover rates provide an indication of trends in the employment profile of the Department. The following tables provide a summary of turnover rates by salary band (Table 5.5.1) and by critical occupations (Table 5.5.2). (These "critical occupations" should be the same as those listed in Table 5.3.3).

Table 5.5.1: Annual turnover rates by salary band for the period 1 April 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)	4,695	484	545	11.61
Skilled (Levels 3 - 5)	7,453	1,205	1,249	16.76
Highly skilled production (Levels 6 - 8)	9,000	1,320	1,345	14.94
Highly skilled supervision (Levels 9 - 12)	2,155	926	695	32.25
Senior Management (Service Band A)	78	2	8	10.26
Senior Management (Service Band B)	19	0	4	21.05
Senior Management (Service Band C)	3	0	0	0
Senior Management (Service Band D)	1	0	0	0
Total	23,404	3,937	3,846	16.43

Notes:

- Nature of appointments sessional (03) is excluded.
- Nature of appointments periodical (17) and abnormal (32) are also excluded. No posts.

Table 5.5.2: 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
Clinical Technologists	74	11	15	20.27
Dietician	53	17	18	33.96
Industrial Technician	52	3	1	1.92
Medical Ort & Pros	18	4	3	16.67
Medical Physicist	6	1	0	0.00
Occupational Therapist	92	30	32	34.78
Oral Hygienist	25	6	7	28.00
Physiotherapist	97	30	32	32.99
Radiographer	376	91	93	24.73
Speech Therapists	29	7	15	51.72
Total	822	200	216	26.28

Notes:

- Nature of appointments sessional (03) is excluded.
- Nature of appointments periodical (17) and abnormal (32) are also excluded. No posts.
- Any differences in numbers between 2004 and 2005 are a result of the rectification of occupational classification and Job Title codes.

Table 5.5.3 identifies the major reasons why staff left the Department.

Table 5.5.3: Reasons why staff are leaving the Department

Termination Type	Number	% of total
Death	69	1.87
Resignation	1,188	32.23
Expiry of contract	1,873	50.81
Dismissal – operational changes	0	0.00
Dismissal – misconduct	61	1.65
Dismissal – inefficiency	0	0.00
Discharged due to ill-health	100	2.71
Retirement	211	5.72
Other	184	4.99
Total	3,686	100.00
Total number of employees who left as a % of the total employment		15.78

Notes:

- Nature of appointments sessional (03) is excluded.
- Nature of appointments periodical (17) and abnormal (32) are also excluded. No posts.

Table 5.5.4: 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
Clinical Technologists	74	3	4.05	10	14
Dietician	53	0	0.00	37	70
Industrial Technician	52	11	21.15	14	27
Medical Ort & Pros	18	2	11.11	10	56
Medical Physicist	6	0	0.00	1	17
Occupational Therapist	92	2	2.17	61	66
Oral Hygienist	25	2	8.00	24	96
Physiotherapist	97	3	3.09	67	69
Radiographer	376	22	5.85	319	84.84
Speech Therapists	29	0	0.00	12	41.38
Total	822	45	5.47	555	67.52

Notes:

- Nature of appointments sessional (03) is excluded.
- Nature of appointments periodical (17) and abnormal (32) are also excluded. No posts.
- Promotions to another salary level includes event 10 – Promotion and 52- Promotion: Package SMS.
- Progression to another notch within a salary level includes event 61 – Pay Progression, but excludes event 62 – Higher Notch PSR 2001 I.V.C.3 and event 63 – Higher Notch PS Act 1994, Section 37(2)(c)
- The above figures exclude the upgrading of 3 & 8 persons in the categories Clinical Technologist and Industrial Technician respectively.

Table 5.5.5: 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)	4,695	4	0.09	4,202	89.50
Skilled (Levels 3 - 5)	7,453	117	1.57	6,373	85.51
Highly skilled production (Levels 6 - 8)	9,000	230	2.56	7,407	82.30
Highly skilled supervision (Levels 9 - 12)	2,155	100	4.64	1,079	50.07
Senior management (Levels 13 - 16)	101	9	8.91	0	0
Total	23,404	460	1.97	19,061	81.44

Notes:

- Nature of appointments sessional (03) is excluded.
- Nature of appointments periodical (17) and abnormal (32) are also excluded. No posts.
- The above figures includes personnel of the Medsas.
- Promotions to another salary level includes event 10 – Promotion and 52- Promotion: Package SMS.
- Progression to another notch within a salary level excludes event 61 – Pay Progression, but excludes event 62 – Higher notch PSR 2001 I.V.C.3 and event 63 – Higher Notch PS Act 1994, Section 37(2)(c)

5.6 Employment equity

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

Table 5.6.1: Total number of employees (including employees with disabilities) in each of the following occupational categories (SASCO) as on 31 March 2005

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	4	11	3	12	1	3	0	7	41
Professionals	80	290	126	919	96	326	116	851	2,804
Technicians and associate professionals	172	520	7	159	718	3,373	39	1,039	6,027
Clerks	121	717	3	155	185	1,049	4	530	2,764
Service and sales workers	207	958	24	140	600	4,329	8	417	6,683
Craft and related trades workers	3	78	0	82	0	2	0	0	165
Plant and machine operators and assemblers	14	125	1	3	0	7	0	0	150
Elementary occupations	403	1,099	1	86	478	2,545	1	110	4,723
Total	1,004	3,798	165	1,556	2,078	11,634	168	2,954	23,357
Employees with disabilities	2	21	0	29	2	16	0	25	95

Notes:

- Nature of appointments sessional (03) is excluded.
- Nature of appointments periodical (17) and abnormal (32) are also excluded. No posts.
- The above figures include the Medsas and EU Funded personnel.

Table 5.6.2: 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	0	0	1	2	0	0	0	1	4
Senior Management	2	10	8	57	1	3	0	15	96
Professionally qualified	71	341	112	858	66	216	79	677	2,420
Skilled technical	205	1,238	38	433	765	4,684	77	1,718	9,158
Semi-skilled	298	1,202	4	134	709	4,318	10	509	7,184
Unskilled	428	1,007	2	72	537	2,413	2	34	4,495
Total	1,004	3,798	165	1,556	2,078	11,634	168	2,954	23,357

Notes:

- Nature of appointments sessional (03) is excluded.
- Nature of appointments periodical (17) and abnormal (32) are also excluded. No posts.
- The above figures include the Medsas and EU Funded personnel.
- Senior Management includes 65 Senior Professionals and 31 Senior Managers.

Table 5.6.3: 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	1	0	1		0	2
Professionally qualified	30	127	60	273	32	65	39	251	877
Skilled technical	78	191	30	106	127	395	51	300	1,278
Semi-skilled	124	303	2	32	218	419	4	86	1,188
Unskilled	29	81	0	10	95	232	1	30	478
Total	261	702	92	422	472	1,112	95	667	3,823
Employees with disabilities	0	1	0	1	0	1	0	1	4

Notes:

- Nature of appointments sessional (03) is excluded.
- Nature of appointments periodical (17) and abnormal (32) are also excluded. No posts.
- The above figures include the Medsas and EU Funded personnel.
- Senior Management includes Senior Professionals.

Table 5.6.4: Promotions for the period 1 April 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	2	0	2	0	0	0	5	9 ³⁹
Professionally qualified	3	19	4	21	6	21	3	23	100
Skilled technical	16	33	0	8	24	117	2	30	230
Semi-skilled	11	29	1	1	15	55	0	5	117
Unskilled	0	1	0	0	1	2	0	0	4
Total	30	84	5	32	46	195	5	63	460
Employees with disabilities	0	1	0	0	0	0	0	0	1

Notes:

- Nature of appointments sessional (03) is excluded.
- Nature of appointments periodical (17) and abnormal (32) are also excluded. No posts.
- The above figures include the Medsas and EU Funded personnel.
- All Senior Professional posts are advertised nationwide and difficulties are experienced to recruit representative candidates in these highly specialised fields.

Table 5.6.5: Terminations for the period 1 April 2004 to 31 March 2005

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	00	0	0	0	0	0	0	0
Senior Management	0	2	0	6	0	0	1	2	11
Professionally qualified	17	81	30	229	19	51	19	222	668
Skilled technical	41	85	24	99	147	507	45	316	1,264
Semi-skilled	96	291	2	27	177	490	2	119	1,204
Unskilled	46	116	0	8	83	260	1	25	539
Total	200	575	56	369	426	1,308	68	684	3,686
Employees with disabilities	1	2	0	1	0	2	0	3	9

Notes:

- Nature of appointments sessional (03) is excluded.
- Nature of appointments periodical (17) and abnormal (32) are also excluded. No posts.
- The above figures include the Medsas and EU Funded personnel.
- Senior Management includes 7 Senior Professionals and 4 Managers.
- Of the 11 Senior Management 8 were retirements and 3 resignations.

³⁹ 9 Senior Management includes 7 Senior Professionals

Table 5.6.6: Terminations for the period 1 April 2004 to 31 March 2005

Disciplinary Action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Correctional Counselling	4	20	0	1	11	40	0	4	81
Verbal Warning	14	35	0	2	4	57	0	8	120
Written Warning	23	67	0	6	6	46	0	3	151
Final Written Warning	9	42	1	0	1	24	0	1	78
Suspension without pay	0	1	0	0	1	5	0	0	7
Fine	0	0	0	0	0	0	0	0	0
Demotion	0	1	0	0	0	2	0	0	3
Dismissal	8	25	0	0	5	21	0	2	61
Not guilty	0	0	0	0	0	0	0	0	0
Case withdrawn									
Total									501

Table 5.6.7: Skills development for the period 1 April 2004 to 31 March 2005

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	3	6	2	9	0	4	1	7	32
Professionals	180	429	56	410	849	3,116	88	1,533	6,661
Technicians and associate professionals	134	504	21	156	497	2,806	20	587	4,725
Clerks	131	632	11	109	218	1,005	14	386	2,506
Service and sales workers	9	53	0	21	53	293	3	99	531
Skilled Agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	2	22	0	6	1	0	0	0	31
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	137	401	1	21	179	647	0	25	1,411
Total	596	2,047	91	732	1,797	7,871	126	2,637	15,897

5.7 Performance rewards

To encourage good performance, the Department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, and disability (Table 5.7.1), salary bands (Table 5.7.2) and critical occupations (Table 5.7.3).

Table 5.7.1: Performance rewards by race, gender, and disability, 1 April 2004 to 31 March 2005

	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per employee (R'000)
African					
Male	88	1,004	0.09	136	2
Female	152	2,078	0.07	221	1
Asian					
Male	12	165	0.07	41	3
Female	20	168	0.12	54	3
Coloured					
Male	689	3,798	0.18	1,108	2
Female	1,899	11,634	0.16	3,150	2
White					
Male	268	1,556	0.17	1,054	4
Female	733	2,954	0.25	1,978	3
Employees with a disability	0	95	0.00	0	0
Total	3,861	23,357	16.53	7,742	2

Notes:

- Nature of appointments sessional (03) is excluded.
- Nature of appointments periodical (17) and abnormal (32) are also excluded. No posts.
- Performance awards include merit awards, allowances 0228 and 0411.
- Employees with a disability are included in "TOTAL".
- Including Senior Management and Senior Professionals.

Table 5.7.2: Performance rewards by salary bands for personnel below Senior Management Service, 1 April 2004 to 31 March 2005

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee (R'000)	Total cost as a % of the total personnel expenditure
Lower skilled (Levels 1 - 2)	430	4,495	9.57	357	1	0.01
Skilled (Levels 3 - 5)	1,156	7,184	16.09	1,328	1	0.05

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee (R'000)	Total cost as a % of the total personnel expenditure
Highly skilled production (Levels 6 - 8)	1,820	9,158	19.87	3,926	2	0.15
Highly skilled supervision (Levels 9 - 12)	455	2,418	18.82	2,131	5	0.08
Total	3,861	23,255	16.60	7,742	2	0.32

Notes:

- Nature of appointments sessional (03) is excluded.
- Nature of appointments periodical (03) and abnormal (32) are also excluded. No posts.
- Performance awards include merit awards and allowances 0228 and 0411.
- Excluding Senior Management and Senior Professionals.

Table 5.7.3: Performance rewards by critical occupations, 1 April 2004 to 31 March 2005

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee (R'000)
Clinical Technologists	8	78	10.26	24	3
Dietician	15	52	28.85	40	3
Industrial Technicians	6	51	11.76	30	5
Medical Orth & Pros	2	19	10.53	5	3
Medical Physicists	1	7	14.29	4	4
Occupational Therapist	28	90	31.11	63	2
Oral Hygienist	8	24	33.33	19	2
Physiotherapist	32	95	33.68	72	2
Radiographer	85	366	23.22	228	3
Speech Therapists	4	24	16.67	8	2
Total	189	806	23.45	493	3

Notes:

- Nature of appointments sessional (03) is excluded.
- Nature of appointments periodical (17) and abnormal (32) are also excluded. No posts.
- Performance awards include merit awards, and allowances 0228 and 0411.

Table 5.7.4: Performance related rewards (cash bonus), by salary band, for Senior Management Service, 1 April 2004 to 31 March 2005

Salary Band	Beneficiary Profile			Cost			
	Number of beneficiaries	Number of employees	% of total within band	Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure	Personnel cost per Band (R'000)
Band A	18	80	22.50	192	11	0.004	46,804
Band B	3	16	18.75	63	21	0.006	10,204
Band C	2	3	66.67	25	13	0.013	1,890
Band D	0	1	0.00	0	0	0.000	878
Total	23	100	23.00	280	12	0.005	59,776

Notes:

- Senior Management includes Senior Professionals (Principle and Chief Specialists).

5.8 Foreign workers

The tables below summarise the employment of foreign nationals in the Department in terms of salary bands and by major occupation. The tables also summarise changes in the total number of foreign workers in each salary band and by each major occupation.

Table 5.8.1: Foreign workers, 1 April 2004 to 31 March 2005, by salary band

Salary Band	1 April 2004		31 March 2005		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1 - 2)	5	3.03	3	2.22	-2	7
Skilled (Levels 3 - 5)	10	6.06	8	5.93	-2	7
Highly skilled production (Levels 6 - 8)	48	29.09	39	28.89	-9	30
Highly skilled supervision (Levels 9 - 12)	101	61.21	83	61.48	-18	60
Senior management (Levels 13 - 16)	1	0.61	2	1.48	1	-3
Total	165	100.00	135	100.00	-30	100

Notes:

- Nature of appointments sessional (03), periodical (17) and abnormal (32) not included.

Table 5.8.2: Foreign workers, 1 April 2004 to 31 March 2005, by major occupation

Major Occupation	1 April 2004		31 March 2005		Change	
	Number	% of total	Number	% of total	Number	% change
Admin Office Workers	2	1.21	2	1.48	0	0.00
Craft Related Workers	1	0.61	1	0.74	0	0.00
Elementary Occupations	7	4.24	5	3.70	-2	6.67
Professionals and Managers	108	65.45	90	66.67	-18	60.00
Service Workers	6	3.64	6	4.44	0	0.00
Soc Nat Tech Med Science Prof	0	0.00	0	0.00	0	0.00
Technical and Ass Professionals	41	24.85	31	22.96	-10	33.33
Grand Total	165	100	135	100.00	-30	100.00

Notes:

- Nature of appointments sessional (03), periodical (17) and abnormal (32) are not included

5.9 Leave utilisation 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 5.9.1) and disability leave (Table 5.9.2). In both cases, the estimated cost of the leave is also provided.

Table 5.9.1: Sick leave, 1 January 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 per employee	Estimated Cost (R'000)
Lower skilled (Levels 1 - 2)	51,891	71.09	4,167	21.38	12	7,449
Skilled (Levels 3 - 5)	67,255	75.62	6,449	33.09	10	13,854
Highly skilled production (Levels 6 - 8)	77,840	77.88	7,771	39.87	10	27,235
Highly skilled supervision (Levels 9 - 12)	7,773	72.84	1,064	5.46	7	5,142
Senior management (Levels 13 - 16)	329	80.24	38	0.20	9	568
Total	205,088	75.23	19,489	100.00	11	56,985

Notes:

- Nature of appointments sessional (03), periodical (17) and abnormal (32) are not included.
- The annual leave cycle is from 1 January until 31 December of each year.

Table 5.9.2: Incapacity leave (temporary and permanent), 1 January 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 per employee	Estimated Cost (R'000)
Lower skilled (Levels 1 - 2)	4,261	100.00	130	27.43	32.78	607
Skilled (Levels 3 - 5)	4,196	100.00	133	28.06	31.55	880
Highly skilled production (Levels 6 - 8)	7,289	100.00	193	40.72	37.77	2,613
Highly skilled supervision (Levels 9 - 12)	956	100.00	17	3.59	56.24	688
Senior management (Levels 13 - 16)	36	100.00	1	0.21	36.00	69
Total	16,738	500.00	474	100.00	35.31	4,857

Notes:

- Nature of appointments sessional (03), periodical (17) and abnormal (32) are not included.
- The annual leave cycle is from 1 January until 31 December of each year.

Table 5.9.3 summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Table 5.9.3: Annual leave, 1 January 2004 to 31 December 2004

Salary Bands	Total days taken	Average per employee
Lower skilled (Levels 1-2)	109,964	24
Skilled (Levels 3-5)	200,449	27
Highly skilled production (Levels 6-8)	266,404	29
Highly skilled supervision (Levels 9-12)	47,193	20
Senior management (Levels 13-16)	2,784	25
Total	626,794	26

Notes:

- Nature of appointments sessional (03), periodical (17) and abnormal (32) are not included.
- The annual leave cycle is from 1 January until 31 December of each year.

Table 5.9.4: Capped leave, 1 January 2004 to 31 December 2004

Salary Bands	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2004	Number of employees as at 31 December 2004	Total number of capped leave available as at 31 December 2004
Lower skilled (Levels 1 - 2)	6024	1	17	4526	75273
Skilled (Levels 3 - 5)	12159	2	29	7204	212032
Highly skilled production (Levels 6 - 8)	16859	2	39	9049	353732
Highly skilled supervision (Levels 9 - 12)	2127	1	19	2260	42388
Senior Management (Levels 13 - 16)	564	6	64	102	6488
Totals	37733	2	30	23141	689913

Notes:

- Nature of appointments sessional (03), periodical (17) and abnormal (32) are not included.
- The annual leave cycle is from 1 January until 31 December of each year.

Table 5.9.5: Leave payouts for the period 1 April 2004 to 31 March 2005

REASON	Total Amount (R'000)	Number of Employees	Average payment per employee (R'000)
Leave pay out for 2004/05 due to non-utilisation of leave for the previous cycle	368	174	2
Capped leave payouts on termination of service for 2004/05	5,487	331	17
Current leave pay out on termination of service for 2004/05	1,953	662	3
Grand Total	7,808	1,167	7

5.10 HIV and AIDS and health promotion programmes

Table 5.10.1: Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk

Table 5.10.2: Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	✓		Mrs B Arries Chief Director Human Resources
2. Does the Department have a dedicated unit or has it designated specific staff members to promote the health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	✓		Component Staff Health Wellness Head Office level: 2 Staff Members Ms New man and Ms D Bam. Institutional Regional level: Groote Schuur Hospital: Gill Reynolds Red Cross Hospital : Christal Bulak Tygerberg Hospital: Ebeth Pedro Associated Psychiatric Hospitals: Carol Dean Boland/Overberg Region: James Kruger West Coast Winelands: Willem Small South Cape/Karoo Region: Hannelie Louw Metropole: Kay Govender MDHS: Wendy Van Zyl
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	✓		The Department make use of a combined model i.e. internal and external services. Key elements: The EAP and HIV and AIDS Programme are integrated. The Key elements of the programmes are: • To ensure that every employee within a department receives appropriate and accurate HIV and AIDS/STI risk-reduction education. • To create a non-discriminatory work environment. • To prevent occupational exposure to potentially infectious blood and blood products and to manage those occupational exposures that occur. • To provide for Voluntary Counselling and Testing services for those employees who wish to determine their own HIV status. • To determine the impact of HIV and AIDS on the Department in order to plan accordingly . • To promote condom use and provide SABS-approved condoms. • Awareness of Services • Education and training • Counselling • Critical Incident Stress Debriefing (CISD) • Reporting and Evaluation

Question	Yes	No	Details, if yes
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.	✓		HIV and AIDS is seen as a transversal issue in the PGWC. The Department of Health was appointed as the Primary driver of the process and therefore have a dual role to play (i.e. to oversee manage their departmental programme as well as to manage and co-ordinate the programme within the province. <u>Health Departmental Committee:</u> Ms S Newman: Head Office Ms E Pedro : Tygerberg Hospital Ms C Bulak: Red Cross Hospital Ms C Dean: Associated Psychiatric Hospitals Ms Wendy Van Zyl: MDHS Ms K Govender: Metropole Mr James Kruger Boland/Overberg Mr Willem Small: West Coast/Winelands Region <u>Provincial Committee (PEAP)</u> Ms S Newman: Health Mr M Gabuza: Treasury Mr M Cronje: Education Ms S Sulliman: Office of the Premier Ms H Ward: Office of the Premier Ms C Leetz: Community Safety Ms B Claasen-Hoskins: Agriculture Ms C Maart: Cultural Affairs and Sport Ms D Foster: Environmental Affairs Ms C Julies: Economic Development & Tourism Ms D Calits: Social Services Ms J Van Stade: Transport Ms R Gie & Ms I Wanie: Local Government and Housing
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.	✓		(None of the employment policies and practices discriminate unfairly against employees on the basis of the HIV and AIDS status. However the Department endeavours to engender its policies (make policies gender sensitive).
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.	✓		The Transversal Framework Policy and Programme was reviewed and signed off in the Bargaining Council. The policy specifically address prohibition on discrimination. Furthermore a workplace programme was developed to give adherence to the Policy. One of the objectives of the programme is "to create a working environment that is free of discrimination".

Question	Yes	No	Details, if yes																
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	✓		The Department entered into partnerships with the following NGO to render a VCT service to all employees. Life Line: Metro Region @ Heart: West Coast/Winelands Cape Consultancy: Boland/Overberg (Note: South Cape/Karoo scheduled for 2004/05. Lack of big NGO's in the Region). Results: <table border="1"> <tr> <th>NGO</th><th>Region</th><th>No of awareness session</th><th>Employees undergo test</th></tr> <tr> <td>Life Line</td><td>Metropole</td><td>37</td><td>365</td></tr> <tr> <td>@ Heart</td><td>West Coast/Winelands</td><td>9</td><td>179</td></tr> <tr> <td>Cape Consultancy</td><td>Boland/Overberg</td><td>26</td><td>193</td></tr> </table>	NGO	Region	No of awareness session	Employees undergo test	Life Line	Metropole	37	365	@ Heart	West Coast/Winelands	9	179	Cape Consultancy	Boland/Overberg	26	193
NGO	Region	No of awareness session	Employees undergo test																
Life Line	Metropole	37	365																
@ Heart	West Coast/Winelands	9	179																
Cape Consultancy	Boland/Overberg	26	193																
8. Has the Department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	✓		Monthly statistics is provided by the VCT Service Providers. EAP Service Provider also provide monthly statistics.																

5.11 Labour relations

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

Table 5.11.1: Collective agreements, 1 April 2004 to 31 March 2005

Subject matter	Date
Total collective agreements	None

The following table summarises the outcome of disciplinary hearings conducted within the Department for the year under review.

Table 5.11.2: Misconduct and disciplinary hearings finalised, 1 April 2004 to 31 March 2005

Outcomes of disciplinary hearings	Number	% of Total
Correctional counselling	31	15.82
Verbal warning	15	7.6
Written warning	41	21
Final Written warning	38	19.38
Suspended without pay	7	3.57
Fine	0	0
Demotion	3	1.53
Dismissal	61	31.1
Not guilty	0	0
Case withdrawn	0	0
Total	196	

Table 5.11.3: Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	% of Total
Absent from work without permission	139	71
Fails to comply with or contravenes an act	6	3
Fails to carry out order or instruction	4	2
Assault/attempts or threatens to assault	6	3
Conduct him/herself in improper/unacceptable manner	17	8.7
Possess or wrongfully uses property of the state	1	0.5
Willfully or negligently mismanages finances of the state	5	2.6
Damages and/or causes loss of state property	0	0
Sexual Harassment	0	0
Contravenes any code of conduct of the state	8	4
Steals, bribes or commit fraud	5	2.6
Under influence of habit-forming/stupefying drug	5	2.6
Total	196	

Table 5.11.4: Grievances lodged for the period 1 April 2004 to 31 March 2005

	Number	% of Total
Number of grievances resolved	44	81.4
Number of grievances not resolved	10	18.6
Total number of grievances lodged	54	

Table 5.11.5: Disputes lodged with Councils for the period 1 April 2004 to 31 March 2005

	Number	% of Total
Number of disputes upheld	10	21.3
Number of disputes dismissed	37	78.7
Total number of disputes lodged	47	

Table 5.11.6: Strike actions for the period 1 April 2004 to 31 March 2005

Total number of person working days lost	860
Total cost (R'000) of working days lost	R 120,899.44
Amount (R'000) recovered as a result of no work no pay	R 120,899.44

Table 5.11.7: Precautionary suspensions for the period 1 April 2004 to 31 March 2005

Number of people suspended	8
Number of people whose suspension exceeded 30 days	2
Average number of days suspended	136
Cost (R'000) of suspensions	R 16,248.54

5.12 Skills development

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

Table 5.12.1: Training needs identified 1 April 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	20		Finance Management Management & leadership development Project Management Computer training	Part-time bursaries: Management	20
	Male	79		Finance Management Management & leadership development Project Management Computer training	Part-time bursaries: Management	35
Professionals	Female	8,895	Post Basic Diploma in Medical/Surgical nursing	Finance Management Management & leadership development Computer training Computer literacy Customer/client care (Batho Pele) Skills development facilitator training Occupational health & safety training Xhosa language skills Finance training (Treasury) Generic short courses	Full-time bursaries: Nurses MBChB B. Pharm Radiography	4,324

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
				Labour relations training Clinical programmes in-service nurse HIV/AIDS training Primary Health Care		
	Male	1,653	As above	As above	Full-time bursaries: Nurses MBChB B. Pharm Radiography	1,666
Technicians and associate professionals	Female	2,134	Certificate in General Nursing: (Auxiliary) Certificate in General Nursing (Enrolled) Diploma in General Nursing (Bridging) Diploma in Primary Health Care (Post Basic) Basic Pharmacist Assistant Post Basic Pharmacist Assistant	ABET training Pharmacist assistant training HIV/AIDS training Computer literacy Customer/client care (Batho Pele) Occupational health & safety training Generic short courses Computer training Clinical programmes: In-service nurse Home based care	Part-time bursaries: Bridging (EN-RN)	4,410
	Male	417	As above	As above	Part-time bursaries: Bridging (EN-NR)	1,003
Clerks	Female	1,682		ABET training Computer literacy Customer/client care (Batho Pele)	Part-time bursaries: Support Services	1,176

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
				Occupational health & safety training Xhosa language skills Finance training (Treasury) Generic short courses Computer training		
	Male	945		As above	Part-time bursaries: Support Services	564
Service and sales workers	Female	862		Emergency care training ABET training Management & leadership development HIV/AIDS training Computer literacy Customer/client care (Batho Pele) Occupational health & safety training Xhosa language skills Finance training (Treasury) Generic short courses Computer training Labour relations training		1,417
	Male	67		As above		1,373
Skilled agriculture and fishery workers	Female	0				0
	Male	0				0
Craft and related trades workers	Female	2		Management & leadership development		15

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
				Computer training Labour relations training Customer/client care (Batho Pele) Finance training (Treasury) Generic short courses		
	Male	275		As above		705
Plant and machine operators and assemblers	Female	60		ABET training HIV/AIDS training Computer literacy Customer/client care (Batho Pele) Occupational health & safety training Generic short courses Change management		122
	Male	212		As above		328
Elementary occupations	Female	2,618		ABET training HIV/AIDS training Computer literacy Customer/client care (Batho Pele) Occupational health & safety training Generic short courses Finance training		692
	Male	1,503		As above		578
Sub Total	Female	16,273				12,028
	Male	5,754				6,225
Total		22,027				18,253

Table 5.12.2: 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	21		Oliver Tambo Fellowship Programme Provincial Executive Program (PEP) J&J Hospital Leadership		12
	Male	74		As above	Part-time Management: 2	20
Professionals	Female	8,582	Post Basic Diploma in Medical/Surgical nursing : Total: 24	Provincial Executive Program (PEP) J&J Hospital Leadership Middle Management Skills Development Facilitator (SDF) Women in Management Project Management Client care Computer training Public financial management Skills Development Facilitators Labour Law /Labour Relations Quality management Diversity management Information management Performance management Nursing professionals: ICU Theatre technique PHC Clinical skills	Full-time bursaries: B Cur Degree: Nursing: Total: 622 Full-time bursaries: Health Science students: MbChB: 37 B. Pharm Total: 12 D. Radiogr Total: 57 Other: Total: 26 Part-time Post Basic Nurse Training: Total: 111	5,586

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
				HIV/AIDS training Curative skills for PHC IMCI Infection control Mental Health Mental Health Medico legal risks Nutrition Oncology Reproductive Health Stoma & Incontinence Trauma TOP value clarification ACLS Wound management Psychosocial rehab Counselling and debriefing		
	Male	1,580	Post Basic Diploma in Medical/ Surgical nursing: Total: 6	As above	Full-time bursaries: B Cur Degree: Nursing: Male: 59 Full-time bursaries: Health Science Students: MbChB: Male: 64 B. Pharm: Male: 24 D Radiogr Male: 18 Other: Male: 18 Part-time: Post Basic Nurse Training: Male: 14	1,044

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
Technicians and associate professionals	Female	2,024	Certificate in General Nursing (Auxiliary): Total: 23 Certificate in General Nursing (Enrolled): Total : 72 Diploma in General Nursing (Bridging): Total: 18 Basic Pharmacist Assistant: Total: 12 Post Basic Pharmacist Assistant: Total: 3	Middle Management J&J Hospital Leadership Women in Management Project Management Client Care Interpersonal Skills Life Skills Meeting Skills Stress Management Supervision HR Management Presentation skills Group Dynamics Orientation Communication Diversity Management Problem solving & Decision making Computer training Finance Training HIV/AIDS training Labour Law / Labour relations Public Finance management Financial Management systems Nursing: ICU Theatre technique PHC Clinical skills HIV/AIDS training Curative skills for PHC IMCI Infection control Mental Health Medico legal risks Nutrition Oncology Reproductive Health	Full-time: Basic nurse training (R425 Diploma/Degree): Total: 102 Part-time Bridging (EN-RN) Total: 50	4,004

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
				Stoma & Incontinence Trauma TOP value clarification ACLS Wound management Psychosocial rehab Counselling and debriefing		
	Male	441	Certificate in General Nursing (Auxiliary): Total: 5 Certificate in General Nursing (Enrolled): Total: 3 Diploma in General Nursing (Bridging): Total: 2 Basic Pharmacist Assistant: Total: 12 Post Basic Pharmacist Assistant: Total: 9	As above	Basic nurse training (R425 Diploma/Degree: Total: 59 Part-time: Bridging (EN-RN): Total: 4	829
Clerks	Female	1,694	Learnership: Pharmacist Assistants 78	ABET/AFET training Finance Management Training Finance training provided by Treasury Management & leadership development skills HIV/AIDS training Computer literacy	Part-time bursaries: Clerks: Total: 23	1,701

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
				Customer/client care training (Batho Pele) Skills development facilitator training Occupational health & safety training Xhosa language skills Emergency Care Training Primary Care Training Generic short courses Labour relations Training Functional Training Client Care Interpersonal Skills Life Skills Meeting Skills Stress Management Supervision HR Management Presentation Skills Group Dynamics Orientation Communication Diversity Management Understand iKapa Elihlumayo		
	Male	959		As above	Part-time bursaries: Clerks: Total: 34	849
Service and sales workers	Female	912		ABET (Adult Basic Education and Training) Occupational Health and Safety Finance		448

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
				Management Training Xhosa training HIV/AIDS training Client Care Interpersonal Skills Life Skills Meeting Skills Stress Management Basic Supervision Supervision HR Management Presentation skills Group Dynamics Orientation Communication Diversity Management Problem solving & Decision making Computer training Applied Computer Literacy and Office Management (ACLOM) Emergency care practitioner (Basic, intermediate and advanced) Basic/intermediate medical rescue Emergency aid First aid Understand iKapa Elihlumayo		
	Male	858		As above		83
Skilled agriculture and fishery workers	Female	0				0
	Male	0				0
Craft and related trades workers	Female	2		Refer below		1
	Male	264		Basic Supervision Communication Problem solving & Decision making		30

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
				ABET (Adult Basic Education and Training) Applied Computer Literacy and Office Management (ACLOM) Occupational Health & Safety Client care Life skills Interpersonal skills Meeting skills Stress management Diversity management Computer training Artisan training Understand iKapa Elihlumayo Waste Management		
Plant and machine operators and assemblers	Female	0				0
	Male	0		As above		0
Elementary occupations	Female	2,503	Learnerships: Pharmacist Assistants: 2	ABET Applied and Computer Literacy and Office Management (ACLOM) Client Care Interpersonal Skills Life Skills Stress Management Basic Supervision Communication Problem solving & Decision making Understand iKapa Elihlumayo		853
	Male	1,403		As above		560

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
Sub Total	Female	17,093				12,098
	Male	6,311				3,944
Total		23,404				16,042

5.13 Injury on duty

The following tables provide basic information on injury on duty.

Table 5.13.1: Injury on duty, 1 April 2004 to 31 March 2005

Nature of injury on duty	Number	% of total
Required basic medical attention only	10	4%
Temporary Total Disablement	281	96%
Permanent Disablement	0	0%
Fatal	0	0%
Total	291	100%

5.14 Utilisation of consultants

The following table only contains information on consultants employed by Head Office.

Table 5.14.1: Report on consultant appointments using appropriated funds⁴⁰

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Contract for rendering of a media communication service	1	365	363,996.00
Integrated Healing	1	3	6,403.18
KPMG/KMMT Chartered Accountants	1	2	21,523.20
J du P Projects	1	180	184,829.57
TD Fish	1	5	5,428.94
Ignis Project Finance and Solutions	3	12	83,531.45
Western Cape Rehab Centre PPP – TA I presentation	Consortium of consultants	Outcome-based	21,523.20

⁴⁰ Figures reflect payments made during the period under review. Some projects were commenced within a previous financial period and, due to the financial transaction being effected during the period under review, these have not been listed. Some project payments (for consultants) are funded via National Treasury's PDF Fund and are therefore not reported here.

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Western Cape Rehab Centre PPP – Phase 2 Mobilisation fee	Consortium of consultants	Outcome-based	403,794.84
Western Cape Rehab Centre PPP – mobilisation fee (initiation of HR work)	Consortium of consultants	Outcome-based	41,669.28
Western Cape Rehab Centre PPP - insurance advisor & additional legal work	Consortium of consultants	Outcome-based	135,128.00
Western Cape Rehab Centre PPP – additional work on asset list	Consortium of consultants	Outcome-based	25,080.00
Environmental Impact Scoping (Grassy Park, Hermanus, Swellendam)	Consortium of consultants	Outcome-based	34,283.45
Eerste River PPP – expansion of contract (re-run model to include staff)	Consortium of consultants	Outcome-based	49,248.00
Chronic Dispensing Unit & Budget Review	1	65	68,125.59
Chronic Dispensing Unit & Budget Review	1	85	74,718.40
Chronic Dispensing Unit & Statistical Analyses	1	75	72,582.93
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
16	11 (plus consortia of consultants)	792	1,591,866.03

Table 5.14.2: Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs)

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Chronic Dispensing Unit & Budget Review	100%	100%	1
Chronic Dispensing Unit & Budget Review	100%	100%	1
Chronic Dispensing Unit & Statistical Analyses	100%	100%	1

Table 5.14.3: Report on consultant appointments using Donor funds

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
None			
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
0	0	0	0

Table 5.14.4: Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs)

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
None			