



Annual Report *2010 / 2011*



health

Department of
Health
FREE STATE PROVINCE

Ms Fezi Ngubentombi
Member of Executive Council (MEC) for Health

DEPARTMENT OF HEALTH ANNUAL REPORT 2010/11

I have the honour of submitting the Annual Report of the Free State Department of Health
for the period 1 April 2010 to 31 March 2011.

Dr S Kabane
Head of Department: Health
Date: 31 July 2011

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General Information

GENERAL INFORMATION

Vision, Mission and Values

Vision

“A long and Healthy Life for the Free State Community”

Mission

The Free State Department of Health will achieve its vision by:

Providing quality, accessible and comprehensive health services through a family and community -based Primary Health Care (PHC) Approach to the Free State community;

Optimally utilizing all its resources to provide the caring and compassionate services;

Empowering and developing all its personnel and stakeholders; and

Adopting evidence based and Information centred approach to planning and decision making for the achievement of better health outcomes.

Values

The key determinants of relationships within the Free State Department of Health are:

Accountability;

Responsiveness;

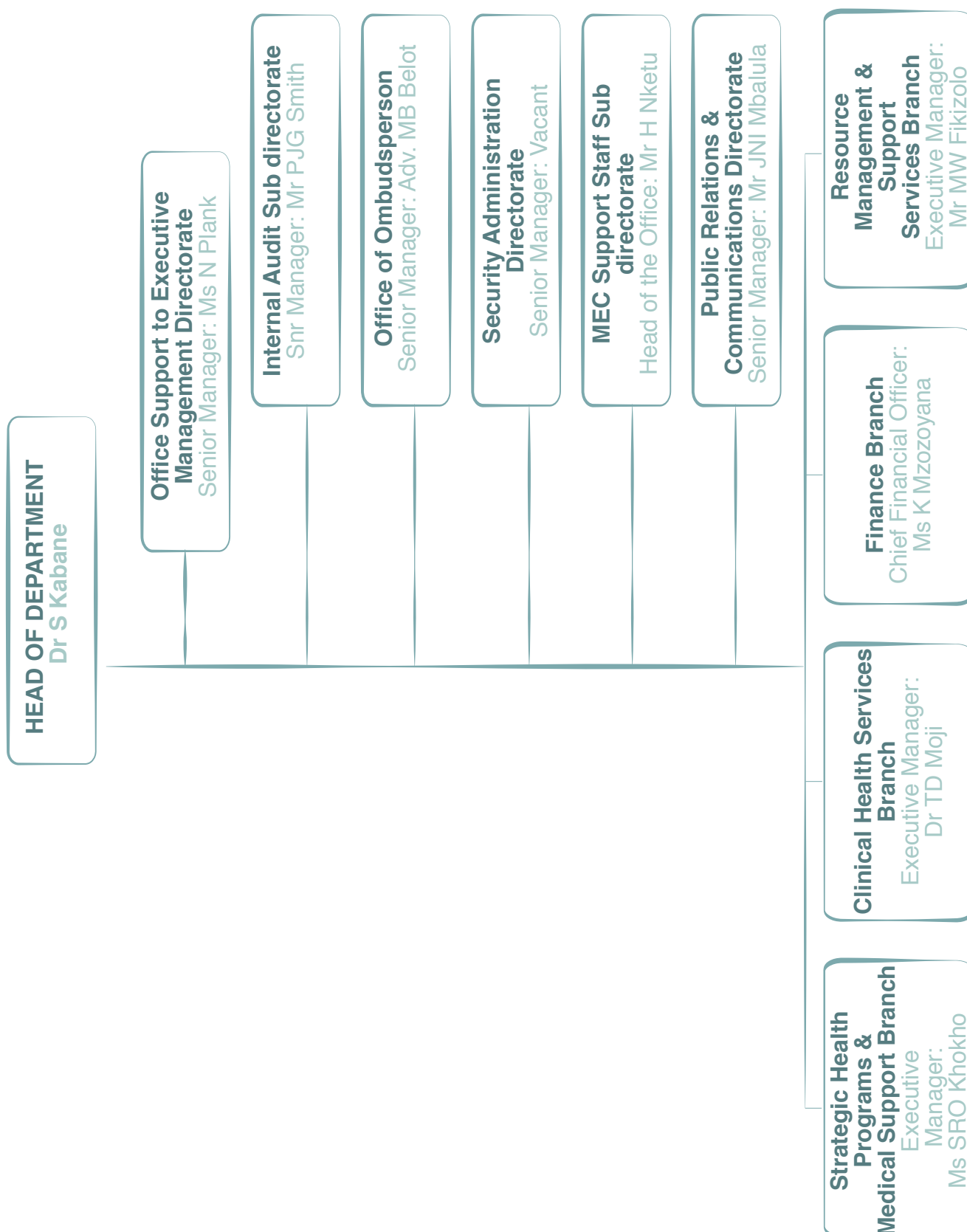
Batho Pele;

Commitment;

Integrity; and

Transparency

Organisational Structure of the Free State Department of Health



LEGISLATIVE MANDATE

The Free State Department of Health derives its mandate from the following legislation:

- Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996)
- National Health Act, 1977 (Act No. 63 of 1977)
- National Health Act, 2003 (Act No. 61 of 2003)
- Free State Hospitals Act, 1996 (Act No.13 of 1996)
- Free State Health Act, 1999 (Act No. 8 of 2000)
- Free State School Health Services Act, 1998 (Act No. 11 of 1998)
- Free State Nursing Education Act, 1998 (Act No. 15 of 1998)

The Department functions within the provisions of all applicable legislation including:

- Public Finance Management Act, 1999 (Act No. 1 of 1999)
- Public Service Act, 1994, (Proclamation 103 of 1994)
- Labour Relations Act, 1995 (Act No. 66 of 1995)
- Basic Conditions of Employment Act, 1997 (Act No 75 of 1997)
- Treasury Regulations issued in terms of the PFMA
- Free State Provincial Revenue Act, 1998 (Act 12 of 1998)
- Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000)
- Division of Revenue Act, 2007 (Act 1 of 2007)
- Free State Appropriation Act, 2005 (Act 1 of 2005)
- Free State Adjustment Appropriation Act, 2005 (Act 9 of 2005)
- Provincial Health Act, (Act 3 of 2009)
- Appropriation Act, 2008 (Act 1 of 2008)
- Adjustment of Appropriation, 2008 (Act 4 of 2008)

Health Sector Legislation:

- Mental Health Care Act, 2002 (Act No. 17 of 2002)
- Medicine and Related Substance Act, 1965 (Act No. 101 of 1965)
- Human Tissue Act, 1983 (Act No. 65 of 1983)
- Pharmacy Act, 1974 (Act No. 53 of 1974)
- Health Professions Act, 1974 (Act No. 56 of 1974)
- Health Laws Amendment Act, 1977 (Act No. 36 of 1977)
- Nursing Act, 2005 (Act 33 of 2005)
- Dental Technicians Act, 1979 (Act No. 19 of 1979)
- Prevention and Treatment of Drug Dependency Act, 1992 (Act No. 20 of 1992)
- Choice on Termination of Pregnancy Act, 1996 (Act No. 92 of 1996)
- Sterilisation Act, 1998 (Act No. 44 of 1998)
- National Health Laboratory Service Act, 2000 (Act No. 37 of 2000)
- Traditional Health Practitioners Act, 2004 (Act No. 35 of 2004)
- Free State Initiation School Health Act, 2004 (Act 1 of 2004)
- Atmospheric Pollution Prevention Act, 1965 (Act No. 45 of 1965)
- Hazardous Substance Act, 1973 (Act No. 15 of 1973)
- Health and Welfare Matters Second Amendment Act, 1993 (Act No.180 of 199)

There were no new legislation and amendments to existing legislation which had an influence on the Departmental Performance.



Entities Reporting to the Member of Executive Council

The following entities report to the Member of Executive Council for Health:

Name of entity	Legislation	Nature of Business
NHLS as established according to the NHLS Act 37 of 2000	To provide health laboratory services to the Free State Department of Health as contained in the SLA	<ul style="list-style-type: none">· Provide cost effective laboratory services· Support HIV and AIDS program· Support TB Programme· Support Cervical Cancer Programme· Comply with SLA

MEC's Statement

This Annual Report of the Free State Department of Health represents an account of the performance of the Department against the Annual Performance Plan. The report also outlines the Department's progress made during the 2010/2011 financial year, towards the realization of the Government's key strategic and Political mandates, such as:

- Government Plan of Action.
- State of the Nation Address by the State President.
- State of the Province Address by the Premier.
- Provincial Lekgotla.
- National Health 10 Point Plan.
- Negotiated Service Delivery Agreement for the Health Sector.

The Department has delivered Health services to the Free State community through the following budget Programmes:

BUDGET PROGRAMMES	BUDGET ALLOCATION	TOTAL EXPENDITURE
1 Administration	R226,464,000	R215,546,000
2 District Health Services	R2,431,456,000	R2,368,793,000
3 Emergency Medical Services	R361,106,000	R331,704,000
4 Provincial Hospital Services	R1,495,330,000	R1,485,347,000
5 Central Hospital Services	R1,076,567,000	R1,075,995,000
6 Health Services and Training	R139,676,000	R137,718,000
7 Health Care Support Services	R87,149,000	R76,676,000
8 Health Facility Management	R521,426,000	R350,242,000

While progress has been registered in the performance of the Department during the year in review, more efforts and focus will be applied in the endeavour to deal with the challenges of the Department.



Ms F. Ngubentombi

MEC: Health, Free State Provincial Legislature

Date: 31 July 2011

Accounting Officer's Overview

The Free State Department of Health Annual Report outlines how the resources were deployed in addressing the health sector initiatives and challenges in the Province as reflected in the Annual Performance Plan, 2010/2013. The Department was allocated and adjusted budget of R6, 307,313,000.00 of which R6, 019,178,000.00 was spent on the Initiatives linked to the Health 10 Point Plan as indicated hereunder:

- Provision of strategic leadership and creation of social compact for better health outcomes.
- Improve the quality of health services.
- Reduce the burden of disease.
- Revitalization of physical infrastructure.
- Improved human resource management.
- Overhaul the health care system and improve its management.
- Research and development.

The Department has begun to implement the Government's new outcome – based approach as part of the Negotiated Service Delivery Agreement for the health Sector, Focusing on the outcome, Long and Healthy Life for all South Africans. The outputs are:

- Increasing life expectancy.
- Decreasing Maternal and Child mortality
- Combating HIV and AIDS and decreasing the burden of disease from TB.
- Strengthening health system effectiveness.

The following are some of the Key achievements for the Department:

- 1045 604 outpatients have been treated in the outpatient Departments of 31 hospitals in the Province and 1075 671 patients in the clinics and community health centers.
- New vaccines, i.e. Pneumococcal (PCV) and Rotavirus were introduced to prevent child deaths related to pneumonia and diarrhea. The coverage's of 68.6% and 75.6% were achieved for Pneumococcal (PCV) and Rotavirus respectively.
- The newborn baby Nevirapine uptake of 100% was realized and the enrolment of patients on the Antiretroviral Therapy (ART) programme increased from 45 041 in 2009/2010 to 81 979.
- 1072 vacancies were filled during the year.
- The revenue collection target of R101, 355.00 was exceeded and R187, 952.00 was collected.

The Department continues to progressively address the service delivery challenges it faces, which include:

- Maternal mortality rate of 243 per 100 000 live births (facility-based).
- Under 5 child mortality rate of 26 per 1 000 live births (facility-based).
- TB cure rate 71.5%
- HIV prevalence rate of 30.1%, based on the annual antenatal survey.
- The antenatal client Nevirapine uptake of 58.7%.
- Cervical cancer screening coverage of 37.4%.
- 58.3% of all ambulance calls responded to within 60 minutes.

The performance of the Department will be provided in more detail in the later sections of the report.

The Department will continue to strive to improve the delivery of health services to the Free State Community. This will be done through consistent efforts in consolidating the achievements and finding comprehensive solutions to the challenges identified.

I hereby confirm the Annual Report 2010/2011 as an accurate reflection of the performance of the Free State Department of Health.



Dr S Kabane
Head of Department: Health

Date: 31 July 2011

The background is a solid dark red color. Overlaid on this are several sets of thin, light red, wavy lines that create a sense of movement and depth. These lines are most prominent in the upper left and lower right corners, where they form complex, overlapping patterns. In the center of the image, there is a horizontal band of a lighter, semi-transparent red color. Within this band, the title is written in a white, elegant script font.

Information on Predetermined Objectives

INFORMATION ON PREDETERMINED OBJECTIVES

2.1 Overall Performance

2.1.1 Voted Funds

Main Appropriation R'000	Adjusted Appropriation R'000	Actual Amount Spent R'000	(Over)/Under Expenditure R'000
<i>R6,151,710</i>	<i>R6,307,313</i>	<i>R6,019,179</i>	<i>R288,134</i>
Responsible Minister/ MEC	MEC of Health - Free State		
Administering Dept	Free State Department of Health		
Accounting Officer	Head of Department - Free State Department of Health		

2.1.2 Aim of Vote

The Free State Department of Health provides comprehensive health care services which include the prevention of diseases, health promotion, curative and rehabilitation services to the community. The department delivers an integrated comprehensive health care service at levels I to IV to the Free State population as well as persons visiting the province. In terms of co-operation agreement, certain level II, III and IV services are also delivered to Northern Cape residents and Lesotho citizens.

2.1.3 Summary of Programmes

Programme 1: Administration: The aim of the Programme is to render the overall management and administration support to the Department.

Programme 2: District Health Services (DHS): The aim of District Health Services is to render level 1 services through Primary Health Care Clinics, Community Health Centre's and the District Hospitals. Health Programs such as HIV/AIDS, Nutrition (including maternal, child and women's health), Disease Prevention and Control, and Coroner Services (Forensic Pathology Services) are also included as sub-programmes.

Programme 3: Emergency Medical (and Rescue) Services: The aim of this programme is to provide emergency medical service rescue and transport patient services to support the referral system to all patients in the Free State Province within the shortest possible time.

Programme 4: Provincial Hospital Services: The purpose of Provincial Hospital Services is to provide level 2 hospital services and specialised hospital services. In the Free State Province, the level 2 services are provided through 5 Regional Hospitals and 1 specialised Psychiatric Hospital.

Programme 5: Central and Tertiary Hospitals: The aim of Central and Tertiary Hospitals is to manage, monitor, organise and render Level III and IV tertiary services in the Free State Province. The Programme also provides the academic platform and research services for the improvement of Health Services Delivery in collaboration with the Health Science Faculty of the University of the Free State.

Programme 6: Health Sciences and Training: The Health Sciences and Training programme is primarily responsible to provide training as well as promoting research and development of health systems.

Programme 7: Health Care Support Services: The aim of the Health Care Support Services Programme is to render support services required by the Department to fulfill its aims regarding Orthotic and Prosthetic Services as well as Laundry Services.

Programme 8: Health Facilities Management: The purpose of the Health Facility Management (infrastructure management) programme is mainly responsible for:

- Planning of infrastructure projects;
- Monitoring and support the project implementation;
- Assisting health institutions with technical advice and support for physical infrastructure needs;
- Advising the executive management on infrastructure priorities annually.
- Facility maintenance

2.1.4 Key Strategic Objectives Achievements

The Department's key strategic objectives were aligned to the key political and strategic direction of the Government, i.e. the Government's Programme of Action, State of the Nation Address, State of the Province Address, Provincial Extended Lekgotla and the National Health 10 Point Plan.

The following significant achievements and/or progress were made during the period under review in relation to key strategic objectives stated above. These achievements represent the highlights experienced by the Department.

More detailed information will be included at a later stage when the performance of each programme is reported.

2.1.4.1 Provision of Strategic Leadership and Creation of Social Compact for Better Health Outcomes.

- 5 District Health Councils, 183 Clinic Committees and 20 Hospital Boards are functional. The new Hospital Boards were appointed in February 2011 for all provincial hospitals in order to ensure good governance in the hospitals.
- In the Free State, the Provincial Council on AIDS has started a process of reviving structures at district, local and ward level. Consultative meetings were conducted in districts to introduce the process of development of the new HIV & AIDS strategic plan. South African National AIDS Council (SANAC) has assigned a mentor from the national level to provide the Provincial Council on AIDS with technical support. The province has appointed the secretariat for the Council on AIDS.
- Due to the provision of Strategic leadership, involvement and collaboration with all stakeholders as well as integrated planning regarding all resources this Department benefited from a successful hosting of the 2010 FIFA World Cup. The Department had legacy spin-offs, as sixty (60) new ambulances were procured, 200 additional emergency medical personnel were appointed and medical equipment to the value of R2, 2 million was procured as well.

2.1.4.2 Improve the Quality of Health Services.

- The Batho Pele Revitalisation Program has been implemented in all the five districts and has resulted in monitoring compliance with the Service Delivery Improvement Plan (SDIP). Service Delivery Charters are displayed in all our facilities as required by the regulations. Independent Patient satisfaction survey results for all the health care facilities have demonstrated improvement in services users' satisfaction from 69 % to 83.57%.
- The Healthy Lifestyle program has been implemented in all five districts with the focus on the five priority areas, i.e. nutrition, safe sexual behaviour, tobacco control, substance and alcohol abuse as well as physical activity.
- School health services were implemented in all five districts with the primary target of Grade R and Grade 1 as focus. Two hundred forty eight (248) schools received this service. A total of 20 129 primary school learners and 2 289 secondary learners were assessed.
- The implementation of the Long Term Care Model for Diabetes was implemented in the Maluti-a-Phofung Sub District in Thabo Mofutsanyana District. It aims at encouraging and offering, among others, self-management of Diabetes Mellitus.
- A total of 29 971 farms were visited by a mobile clinic every six weeks in order to improve access to Rural Health Services.
- During the 2010/11 financial year, sixty (60) new ambulances, twenty-two (22) response vehicles and twenty (20) Planned Patient Transport (PPT) vehicles were leased from the Government Motor Transport (GMT) and distributed to the five districts, which has made a small impact on service delivery.
- Services for survivors of sexual assault and violence were provided at eight designated Sexual Assault Victim Support Centres in the Free State Province. A total of 3140 victims of sexual assault were seen and 1920 eligible victims received Post Exposure Prophylaxis to prevent HIV infection.
- 115 health promotion activities were conducted in provincial hospitals.
- 66 NGOs have service level agreements with the Department to do other PHC functions support, education and defaulter & tracing, with their core responsibility being mainly HIV/AIDS, TB and MCWH.
- 212 Clinics are rendering the full package of services in line with the referral system.

2.1.4.3 Reduce the burden of disease.

- 93.2% of Facilities offering the different elements of the HIV prevention package i.e. Voluntary Confidential Counseling and Testing (VCCT) and Provider Initiated Counseling and Testing (PICT) as part of the HIV Counseling and Testing (HCT) services, Medical Male Circumcision (MMC), Prevention of Mother to Child Transmission (PMTCT), Information Education and Communication (IEC), management of Sexually Transmitted Infections (STI), Post-exposure Prophylaxis (PEP) and Condom Distribution.
- The VCCT programme was intensified during 2010/2011 financial year and the HCT campaign was launched in Free State in April 2010 at Kroonstad, Fezile Dabi District, and subsequent launches were conducted in all the other four districts.
- The annual antenatal survey shows HIV prevalence for the Free State Province to be at 30.1%. This represents a 2.8% reduction in HIV prevalence when compared to the 32.9% in 2008.
- The Accelerated Plan on PMTCT was also implemented in Thabo Mofutsanyana as the priority district in the Province. The initiative increased the testing rate significantly in the district as a result of mass mobilisation efforts and door to door campaigns that have been undertaken. 100% of Health facilities where antenatal care is delivered implemented the revised PMTCT therapy.
- 96% of HIV positive clients were screened for TB.
- By the end of 2010/11, a total of 2 347 volunteers (including DOT Supporters) received stipends to render community home based care services to 73 101 beneficiaries. In order to strengthen the Departmental preventative measures, 152 trained volunteers render the services to 2 225 persons under the supervision of professional nurses. There were nine (9) functional step-down facilities, 8 within hospitals and one an independent facility with a total of 107 beds.

2.1.4.4 Revitalisation of Physical Infrastructure.

- The new 45 bedded MDR-TB Unit was opened by the MEC: Health during World TB day Celebrations on 24 March 2011.
- Four hospitals, i.e. Pelonomi, Boitumelo, Trompsburg and Ladybrand are currently undergoing revitalisation. At Boitumelo Regional Hospital Contract 13: Practical hand-over was done on 5 July 2010 and beneficial occupation took place and progress on contract 11 is 99.65%. At Pelonomi Regional Hospital the contract progress for Radiology is at 94% and the Project is nearing completion, the only outstanding work is on the ground floor link.

2.1.4.5 Improve Human Resource Management.

- 239 EMS personnel were trained during the 2010/11 financial year.
- 102 Health Professionals trained on the Essential Steps in the Management of Obstetric Emergencies (ESMOE)
- 585 nurses trained in different categories at the Free State College of Nursing and the different nursing schools.
- During 2010/2011 financial year, 401 officers were trained in the care and management of victims of violence and sexual assaults. These included 250 medical officers, 151 nurses, 144 police officers, 50 members from Non-governmental Organisations and 40 Social Workers.
- The Department vacancy rate for Professional nurses are 9% and for the Pharmacists 15.2% at the end of the reporting period.

2.1.4.6 Overhaul the Health Care System and improve its management.

- The Risk Management Charter, Policy, Strategy and Implementation Plan were reviewed by the Department's Risk Management Committee for 2010/11. Training and awareness programs on Risk Management were conducted between 2 August 2010 - 17 March 2011 at Corporate Office chief directorates, regional hospitals, district hospital complexes and district offices.
- All districts comply with legislation and have District Health Plans which are implemented each year and monitored on a monthly and quarterly basis.
- Average of 92% of medication availability was achieved in all the health facilities in the Province.

2.1.4.7 Research and Development.

- The Electronic TB register is successfully being expanded to include TB case finding information from hospitals. The web-based Electronic Drug Resistant (EDR) Register is implemented in the two MDR-TB units in the Province.
- Number of approved research projects is currently 31 and the establishment of the Research Committee is in the process of being established.

2.1.5 Overview of the Service Delivery Environment for 2010/11 (Abridged Situation Analysis)

The population of the Free State province is 2.82 million, 5.7% of national population (Mid-year estimate 2010, Statistics South Africa) and they live in and around eighty widely dispersed towns. Its land area is 129,824 km² (10.6% of South Africa) and consists predominantly of flat rolling savanna situated between the Vaal River and Bloemhof dam in the north, Orange River and Xhariep dam in the south and foothills of southern Drakensburg in the east. Three large settlements; the provincial capital of Manguang, gold mining area of Matjhabeng and former homeland of Phuthaditjhaba account for almost half of its population. The population density of this sparsely populated province is 22 per sq.km and around 29% of the people live in the rural farming areas between its towns. The province is divided into 5 districts (Xhariep, Motheo, Lejweleputswa, Fezile Dabi and Thabo Mofutsanyana) and 20 Local Municipalities within these districts for administrative purpose and health services are organized around this geopolitical demarcation.

The life expectancy at birth of Free State population is estimated at 46.2 years and 48.4 years for male and female respectively and average total fertility rate estimate is 2.28 (Mid-year estimates 2010, Statistics SA). The infant mortality and Under-five mortality is 57 and 77 per 1000 live births respectively.

The Department has for the past few years been faced with an increased demand for its services on the one hand and insufficient resources to provide these services on the other hand. This is due to increased burden of disease caused mainly by the HIV/AIDS and TB scourge. This results in increased utilisation of our facilities, mainly through increased numbers and the admission of more severe cases.

The department is facing this increased demand for services, with an accompanying substantial personnel shortage. This is mainly due to under-production and migration of skilled personnel to other provinces, countries and the private sector. This has encouraged us to double our efforts to train, recruit and retain these scarce professionals.

There is also a maintenance and equipment backlog that accumulates over the years that the department is faced with and is attempting to address with its limited resource. Additional funding in this respect is essential to maintain the quality of services and to retain personnel.

Health has been identified as one of the five key priorities for government in the next five years and the implementation of the Negotiated Service Delivery Agreement document guide the proposed approach that builds on the gains that have been achieved by government over the past fifteen years, whilst it addressed the shortfalls in the current health system.

To this extent, health priorities have been identified as part of government's plan of action. The key service delivery challenges facing the Free State Public Health System include amongst others:

- Increased burden of disease and increased demand for health care services.
- Insufficient growth in the funding for health care services.
- Mismatch between the funding envelope and health care services package.
- Inefficient and suboptimal utilization of facilities, equipment and personnel.
- Inefficient procurement and distribution of medicines and consumables;
- Deterioration of the quality of health care services.
- Shortage of key clinical personnel and inappropriate skills mix.
- Lack of skilled personnel in key areas such as Supply Chain Management.
- Lack of professionalism amongst health personnel.
- Delayed emergency medical services response times.
- Lack of appropriate health infrastructure.
- Lack of support for and focus on Primary Health Care services.
- Lack of integrated Health Information System.
- Lack of evidence based planning, monitoring, evaluation and decision-making.
- Insufficient utilization of innovative partnership solutions including PPPs.

The department is committed to provide high quality care to its targeted populations. The provincial structures provide strategic leadership, directions and support to all its components and health care facilities and manage all aspects of public health and service delivery. Some of the priority areas include comprehensive HIV and AIDS program, quality of care and prevention of clinical errors, implementation of Tuberculosis control and other national programs and disease prevention and health promotion interventions including Healthy School program. Important support structures such as Finance, Human Resource, Information Technology and facility management are situated in the provincial office. Five district offices are extensions of the provincial office for the coordination of service delivery in five districts of the province. The district offices ensure that the Primary Health Care approach for health service is constantly improved and District Health system is functional.

Volume of selected services in Free State facilities - 2008, 2009, 2010

Selected service measures	2008	2009	2010
Primary Health Care headcount	6,342,158	6,525,721	6,512,280
PHC headcount 5 years & older	5,240,573	5,366,496	5,453,855
PHC headcount under 5 years	1,101,585	1,159,225	1,058,425
Emergency care headcount	260,489	250,489	219,837
Outpatient headcount	856,922	859,370	785,678
Hospital Admissions	215,267	200,631	172,984
Inpatient days	1,292,665	1,209,331	1,019,753
Day patients	40,055	40,106	36,964
Termination of Pregnancy	9,718	8,590	7,081
Antenatal visits	291,738	259,447	227,857
Births in the facility	55,545	52,171	47,402
Dental visits	220,163	194,225	153,927
Female condom distributed	142,622	201,307	217,287
Male condom distributed	8,003,014	8,111,986	9,258,715

Source: District Health Information Software, Free State province dataset

The network of primary health care facilities provides preventive and rehabilitative care along with the essential curative care, based on Batho Pele principles and Patient Rights Charter. More than 6 million patient visits were registered for the year 2010 (More than 27,000 visits per day), which constitute 9.6 visits per 1000 population per day.

Analysis of Primary Health Care service delivery

Indicator	2008	2009	2010
Total PHC head count	6,342,158	6,525,721	6,512,280
PHC head count per day	26,426	27,191	27,135
Daily PHC visit per 1000 population	9.4	9.6	9.6
PHC head count / person / annum	2.2	2.3	2.3

Source: DHIS data base

Much more than 10 people get sick out of 1000 people in a day and it implies that many patients are treated outside the public sector. Private sector, especially the general practitioners and traditional practitioners play an important role in meeting the health needs of the community. More PHC visits are registered in rural districts than in urban areas, which indicate relatively less access to private health care in these areas. Improving the access to health care in sparsely populated areas is difficult and always inefficient economically, it is usually very costly and it is difficult to attract professionals to such areas. It is one of the major challenges facing the Free State province, especially the farming communities and small settlements in remote areas.

The hospital services, which include primary, secondary and tertiary care facilities is the backbone of curative care and provide inpatient and outpatient care to the people of the province and the neighbouring regions and it is supported by an efficient referral system. The bed occupancy of these hospitals ranges between 50% and 90% with a length of stay around 3, 5 and 7 days for primary, secondary and tertiary hospitals respectively.

The improvement in outcome indicators used to measure the performance of health service delivery such as increasing life expectancy, decreasing infant, under-five and maternal mortality very much depends on literacy, employment and other socio-economic improvement in the community. It is very difficult to improve these parameters just by treating the sick and other health services directed towards disease prevention and health promotion are known to contribute substantially. These services are somewhat neglected due to shortages in human and other resources.

2.1.6 Overview of the Organisational Environment for 2010/11

The following section outlines some of the major challenges and successes that impacted on the Department in 2010/2011:

2.1.6.1 Finance and Financial Management

The department succeeded in settling old debt which occurred as a result of overspending of the budget in previous financial years. Improved control measures were put in place that enhanced the monitoring and discipline in departmental expenditure. Shortage of funds still hampers service delivery in certain areas.

2.1.6.2 Human Resource

The Accounting Officer of the Department was appointed in June 2010 and the Executive Manager for Clinical Health Services, as well as Chief Executive Officers of six hospitals and a Consultant Engineer were also appointed later in the year in order to strengthen management capacity in the Department.

The inadequate funding for personnel costs has resulted in challenges in filling the vacant posts and the deployment of human resources that was inadequate in relation to service delivery requirements. As at 31 March 2011 the Department had 19 713 posts with 3 827 being vacant, which implies an overall vacancy rate of 19%. This was realised after the abolishment of 8 688 posts from the initial 28 401 posts on the staff establishment in line with the directives of the DPSA.

The challenge in terms of recruitment and retention of staff makes it difficult for districts to render effective services, especially the Xhariep and Thabo Mofutsanyana districts. The lack of residential accommodation for health professional poses a challenge and contributes to failure to recruit and retain staff in rural areas. In the quest to improve the availability of health care professionals, the Department has succeeded in retaining 40 out of 41 (98%) bursary holders and 111 out of 308 (36.04%) community service health professionals in permanent posts for the 2010/11.


During the national public service strike action in August – September 2010, the total number of person working days lost was estimated at 23 610. The participation of health professionals and support staff in the strike impacted significantly on service delivery in the Department. To mitigate the impact of the strike on the services and patients support was sought and received from the South African National Defense Force (SANDF), volunteers and some community based organizations.

The Department followed a phased approach towards taking over the rendering of services that were previously outsourced to private services providers. 248 cleaners, 119 patient assistants, 302 security officers and gardeners have been employed in permanent positions at various health institutions.

2.1.6.3 HIV, AIDS and TB Management

The Department has implemented the HIV Counselling and Testing campaign during the year under review in response to the Government's new measures in the management of HIV, AIDS and TB. The HCT services were introduced in all the hospitals, health centres and clinics as well as through outreach programmes. In order to assist the districts in ensuring service delivery 22 teams, comprising of professional nurses and nursing assistants have been employed and placed within the districts and their main task is to perform outreach HCT activities within the districts.

High staff turnover and rotation remains a challenge and therefore Health care professionals were trained on Integrated TB



and HIV/AIDS to assist with the workload. A total of 2 251 Health Professionals have been trained by partners, provincial- and district trainers. The management training help to strengthen programme management in facilities and improvement the skills of these professionals.

2.1.6.4 Internal Audit

The following internal audits were performed during the 2010 / 2011 financial year:

Medical Support: Evaluating the adequacy and effectiveness of controls relating to safeguarding of the emergency vehicles and efficient use of the vehicles at Kopano Complex and Motheo District;

HR Leave Management: Evaluating the adequacy and effectiveness of controls governing the operational and compliance activities relating to leave management at Mufumahadi Manapo Mopedi Regional Hospital and Bophelo House;

Transfers - Donor Funds : Evaluating the controls relating to reliability and integrity of financial information;

Interim Financial Statements: Evaluating whether the interim financial statements comply with certain high-level requirements regarding the format and content as per applicable accounting basis (GRAP, PFMA, Treasury Regulations and National Treasury Financial Reporting Framework Guide) as well as to agree the interim financial statements with source documents;

Supply Chain Management: Evaluating and comparing the adequacy of the supply chain management processes and policies against best practices;

Conditional Grants: Evaluating and monitoring the extent to which HIV and AIDS Conditional Grant has been utilized to achieve the set National Health objectives;

Asset Management: Evaluating the adequacy and effectiveness of controls relating to safeguarding of assets;

Information Technology (IT) General Controls Review: Evaluating the adequacy and effectiveness of IT General Controls; and

Risk Management: Evaluating the adequacy and effectiveness of the risk management process.

In general it was noted that control process are well designed, but controls are not being properly executed at operational level. In all instances the Internal Control unit recommends the required management interventions and subsequently monitors their implementation.

2.1.6.5 Fraud Prevention

The departmental Fraud Prevention Strategy was recommended by the Risk Management Committee and approved by the Acting Accounting Officer on 24 May 2010. 40 cases of alleged fraud were reported. 17 were investigated and found not to be substantiated. Disciplinary action was taken against 2 officials with the process still continuing. 21 Cases are still outstanding.

2.1.6.6 Health Care Technology

The shortage and backlog in the replacement of old medical equipment has presented service rendering challenges in the health facilities.

2.1.6.7 Restructuring Efforts

A consulting firm was appointed to review and make recommendations on the macro structure of the Department. The review is currently underway and consultations have been made with the various relevant stakeholders and the final report will be presented during 2011/12.

The inappropriate nursing skills mix has presented a challenge with the staffing of health facilities. In the effort to ensure the

appropriate staffing with the different categories of nursing, the Department has appointed a project manager to facilitate the process of developing the Department's nursing skills mix model.

2.1.7 Key Policy Developments and Legislative Changes

No new legislation impacting on service delivery during the period under review.

2.1.8 Departmental Revenue, Expenditure, and Other Specific Topics

Collection of Departmental Revenue

The Department exceeded its revenue target for the 2010/11 financial year. The total revenue target for the 2010/11 financial year was R101, 355,000 and amount collected is R187, 952,217.

Amounts received other than normal patient fee revenue was as follows:

- An amount of R36, 009,167 from the University of the Free State with regards to the joint staff establishment agreement between the University of the Free State and the Free State Department of Health.
- Bulk payments from the Road Accident Fund (RAF) with regards to backlogs to the amount of R23, 230,381.
- Public Private Partnership revenue of R8, 100,000 for Universitas and Pelonomi Hospitals.
- Sales of capital assets to the amount of R6, 495,000 which is higher than the estimated amount.
- The Department is currently conducting ongoing training of relevant officials in health institutions with regards to the departmental revenue systems and revenue policies in order to enhance the generation of revenue. The Department is also in the process of appointing new debt collectors. Validation of patient information is a key requirement that the new debt collectors should adhere to as this will improve the process of tracing outstanding patient debt.

The table below provides a breakdown of the sources of revenue:

	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Target	2010/11 Actual	% deviation from target
Tax revenue	-	-	-	-	-	-
(Specify)						
Non-tax revenue	-	-	-	-	-	-
(Specify)						
Sales of goods and services other capital assets	72,009	118,579	87,249	86,680	119,696	138%
Interest, dividends and rent on land	2,455	535	2,168	525	340	65%
Sales of capital assets	2,814	2,308	841	2,000	6,495	325%
(specify)	vehicles	vehicles	vehicles		vehicles	
Financial transactions (Recovery of loans and advances)	6,367	3,872	13,118	12,150	61,422	505%
TOTAL DEPARTMENTAL RECEIPTS	83,645	125,294	103,374	101,355	187,952	185%

2.1.9 Departmental Expenditure

The following table reflects the expenditure and budget per program on economic classification level for the 2010/11 financial year.

2010/11			
Appropriation	Final Expenditure	Actual	Variance
	R'000	R'000	R'000
1. ADMINISTRATION			
Current payment	204,771	194,353	10,418
Transfers and subsidies	3,074	2,575	499
Payment for capital assets	10,108	10,108	-
Payment for financial assets	8,511	8,510	1
Total	226,464	215,546	10,918
2. DISTRICT HEALTH SERVICES			
Current payment	2,309,635	2,285,310	24,325
Transfers and subsidies	57,988	53,844	4,144
Payment for capital assets	60,554	26,361	34,193
Payment for financial assets	3,279	3,278	1
Total	2,431,456	2,368,793	62,663
3. EMERGENCY MEDICAL SERVICES			
Current payment	303,366	303,366	-
Transfers and subsidies	31	31	-
Payment for capital assets	51,989	22,587	29,402
Payment for financial assets	5,720	5,720	-
Total	361,106	331,704	29,402
4. PROVINCIAL HOSPITAL MANAGEMENT			
Current payment	1,462,676	1,458,145	4,531
Transfers and subsidies	5,325	5,113	212
Payment for capital assets	25,823	20,583	5,240
Payment for financial assets	1,506	1,506	-
Total	1,495,330	1,485,347	9,983
5. CENTRAL HOSPITAL SERVICES			

Current payment	1,000,237	999,665	572
Transfers and subsidies	3,933	3,933	-
Payment for capital assets	72,241	72,241	-
Payment for financial assets	156	156	-
Total	1,076,567	1,075,995	572
6. HEALTH SCIENCE AND TRAINING			
Current payment	109,611	109,081	530
Transfers and subsidies	20,312	20,312	-
Payment for capital assets	9,559	8,131	1,428
Payment for financial assets	194	194	-
Total	139,676	137,718	1,958
7. HEALTH CARE SUPPORT SERVICES			
Current payment	83,210	74,069	9,141
Transfers and subsidies	2,258	2,258	-
Payment for capital assets	1,661	329	1,332
Payment for financial assets	20	20	-
Total	87,149	76,676	10,473
8. HEALTH FACILITIES MANAGEMENT			
Current payment	67,566	73,386	(5,820)
Transfers and subsidies	-	5,000	(5,000)
Payment for capital assets	453,860	271,856	182,004
Payment for financial assets	-	-	-
Total	521,426	350,242	171,184
9. INTERNAL CHARGES			
Current payment	(31,861)	(22,842)	(9,019)
Transfers and subsidies	-	-	-
Payment for capital assets	-	-	-
Payment for financial assets	-	-	-
Total	(31,861)	(22,842)	(9,019)
TOTAL	6,307,313	6,019,179	288,134

Current expenditure was incurred as planned for the year under review.

The Department under-spent a large amount on capital expenditure. The under-expenditure consists of under-spending on Buildings and Fixed Structures and Machinery & Equipment. The under spending on capital projects was as a result of the following:

- Late awarding of contracts to contractors
- Poor contractor performance

The under spending on Machinery and equipment was as a result of the contract awarding process that did not proceed as planned. The department had implemented proper planning and demand management procedures. Procurement plans and demand schedules for the new financial year has been initiated to circumvent poor spending.

2.1.10 Transfer Payments

The Free State Department of Health had entered into three year stipend payment contract expiring on 31st June 2011 with five Non-Governmental Organizations (NGOs), mainly for the Comprehensive HIV and Aids Conditional Grant. Each NGO is responsible for payment of stipends to all volunteers in one district .The stipend payments is for volunteers and peers rendering Home Based Care services, High Transmission Areas services and Voluntary Counseling & Testing services

The five NGOs including location are as follows:

Epilepsy South Africa:	Fezile Dabi District
LAMP:	Motheo District
Child & Family Welfare Society:	Thabo Mofutsanyana District
Lesedi Le Chabile Primary Care:	Lejweleputswa District
CANSA :	Xhariep District

For the 2010/2011 financial information, summary table is listed below .The transfer payments are for Tuberculosis Control, Expanded Public Works Programme (EPWP) and Comprehensive HIV and AIDS Grant.

Description	Funding Source	Amount transferred
TB Control (MDR Unit)	Equitable Share	R 12 374 450
TB Control (NGOs)	Equitable Share	R 1 669 018
EPWP	Equitable Share	R 2 352 000
Comprehensive HIV/AIDS Grant	Conditional Grant	R 32 505 922
TOTAL		R 48 901 390

The transfer payments are effected on the strength of the contracts entered into between the Department of Health and NGOs paying stipends. It is imperative that the stipend is paid on time to the appropriate volunteers for the services rendered as this constitute job opportunity and generally their only means on income.

The monitoring of stipend payment process is effected through the various controls. The NGOs, accompanied by the District Programme Coordinators, conduct the physical headcounts to verify the existence and involvement of volunteers and also inspect the identity numbers and corresponding banking details. All volunteers complete registration forms with full personal details signed by the NGO's manager, recommended by the District Programme Manager and approved by the Provincial Coordinator. The NGOs paying the stipend registers the volunteers on the data base and include their personal details on stipend control form with their registration numbers. Forms will be printed and be allocated to local area organizations or clinics for supervision and be completed accordingly. After verification and completion of checklists the funds are released to the volunteers' bank accounts by the District Programme Coordinators and an authorised NGO paying official using the operator identity numbers and passwords. The NGO paying stipend will prepare a final report for volunteers paid and not paid with reasons thereof. Proof of payments, bank reconciliation reflecting expenditure and available bank balance, all copies of stipend control forms and reports are retained by the Department for audit purposes.

Compliance in terms of submission of audited financial statements is lacking and there is room for improvement. For the

2010/2011 financial year there were not many challenges with regard to stipend payment process. The evaluation of the overall performance is expected towards the end of second quarter of 2011/2012.

2.1.11 Conditional Grants and Earmarked Funds

The Department received various conditional grants for the 2010/11 financial year. The transfers in terms of S13 (3) (c) of the Division of Revenue Act (DoRA), for all the conditional grants listed hereunder, were deposited into the primary bank account of the Province. The following grants were received and the purpose of each grant is explained:

2.1.11.1 National Tertiary Services Grant

- To compensate tertiary facilities for the additional costs associated with the rendering of tertiary services provision and spill over effects.
- The Department met the conditions as set out in the DoRA framework.
- The planned objectives and outputs, as per the business plan, were achieved. The allocation covered the costs related to the compensation of specialists and procurement of consumables for tertiary health services.

2.1.11.2 Comprehensive HIV and AIDS

- To enable the health sector to develop an effective response to HIV and Aids;
- To support the implementation of the National Operational Plan for comprehensive HIV and Aids treatment and care;
- To subsidize, in part, funding for the antiretroviral treatment programme.
- The Department did not meet some of the conditions as set out in the DoRA framework. All the monthly reports were submitted timeously, but two of the four quarterly reports were submitted later than the set submission dates.
- The areas of non-compliance related mainly to under-expenditure on the compensation of employees and the procurement of planned machinery and equipment, as well as lower number of clients seen in some of the sub-programmes, e.g. High Transmission Areas. In order to address the challenges, the following interventions are being undertaken:
 - Procurement of Modular Structures (park homes) to address the space challenges.
 - Conducting STI training for nurses and doctors in both public and private sector.
 - Appointment and orientation of dedicated M&E personnel to assess the impact of the trainings conducted.
 - Integration of caregivers into the program of PHC re-engineering.
- The planned objectives and outputs, as per the business plan, were partially achieved. The key achievements include the following:
 - HIV Counselling and Testing (HCT) throughputs (596,968 people were tested in financial year 2010/11 through the support of the roving teams appointed specifically for the expansion of the HCT outreach service, excluding women in antenatal services).
 - Initiation of new adults and children on ART.
 - Training of nurses on the Comprehensive Management and Treatment of HIV and Nurse Initiation Management of ART (NIMART). A total of 605 nurses were NIMART trained against a target of 600 for the financial year.
 - There were 33 HTA intervention sites at end of the financial 2010/11, exceeding the target of 30.

2.1.11.3 Hospital Revitalisation

- To provide funding to enable provinces to plan, manage, modernise, rationalise and transform health infrastructure, health technology, monitoring and evaluation of hospitals;
- To transform hospital management and improve quality of care in line with national policy objectives;
- To supplement expenditure on health infrastructure delivered through public-private partnerships
- The Department did not fully meet the conditions as set out in the DoRA framework. The cash allocation for this grant was under spent by 40.2%.
- The non-compliance relates to under-expenditure and the delays in the implementation of the planned revitalisation projects, which were mainly due to delayed procurement by the implementing agent and the poor performance by some of the contractors.
- The planned objectives and outputs, as per the business plan, were thus poorly achieved.

2.1.11.4 Health Professional Training and Development Grant

- To support provinces in funding service costs associated with training of health professionals;
- Development and recruitment of medical specialists in under-served provinces
- Support and strengthen undergraduate and postgraduate training processes in health facilities
- The Department met the conditions as set out in the DoRA framework.
- The planned objectives and outputs, as per the business plan, were achieved. The allocation covered the costs related to the training of specialists in the Province.

2.1.11.5 Forensic Pathology Services Grant

- To continue the development and provision of adequate forensic pathology services in all provinces.
- The Department did not fully meet the conditions as set out in the DoRA framework.
- The areas of non-compliance related mainly to failure to fill all the vacancies as planned, eradicating overcrowding in mortuaries, improving standard times to service points for the catchment areas and increasing functional mortuaries. In order address the challenges, the following interventions are being undertaken:
 - Posts are filled based on needs determined.
 - Sasolburg mortuary is in the process of being relocated to a bigger site.
- The planned objectives and outputs, as per the business plan, were partially achieved. The allocation was utilised to cover the cost related to the implementation of forensic pathology services in the Province.

2.1.11.6 2010 World Cup Grant

- To assist the host cities with the operational response associated with the hosting of the 2010 FIFA World Cup competition
- The Department met the conditions as set out in the DoRA framework.
- The planned objectives and outputs, as per the business plan, were achieved. The allocation was utilised to cover the cost related to the readiness for the world cup.

2.1.11.7 EPWP Grant for Social Sector

- To subsidise non-profit organisation in home and community based care via the provincial departments of Health and Social Development, to provide stipends to previously unpaid volunteers to maximise job creation and skills development in line with the Expanded Public Works Programme guidelines.
- The Department met the conditions as set out in the DoRA framework.
- The planned objectives and outputs, as per the business plan, were achieved.

2.1.11.8 Provincial Infrastructure

- To supplement provincial funding of health infrastructure to accelerate the provision of health facilities and ensure proper maintenance of provincial health infrastructure.
- The non-compliance relates to under-expenditure and the delays in the implementation of the planned revitalisation projects, which were mainly due to delayed procurement by the implementing agent and the poor performance by some of the contractors.
- The planned objectives and outputs, as per the business plan, were thus poorly achieved.

The budget and expenditure amounts for each grant for the year under review are reflected in the following table:

Conditional Grants	Budget	Cash Received	Cash Withheld	Actual Expenditure	Under/(Over)
	R'000	R'000	R'000	R'000	R'000
National Tertiary Services	659,469	659,469	-	659,469	-
Comprehensive HIV/AIDS	437,583	437,583	-	388,329	49,254
Hospital Revitalisation	378,426	332,533	45,893	244,634	133,792
Health Prof Training and Development	117,400	117,400	-	117,400	-
Forensic Pathology Services	37,218	37,218	-	30,738	6,480
2010 World Cup preparatory	1,804	1,804	-	1,804	-
EPWP Grant for Social Sector	3,288	3,288	-	2,352	936
Provincial Infrastructure	90,000	22,500	67,500	58,344	31,656
Total	1,725,188	1,611,795	113,393	1,503,070	222,118

An amount of R113.393 million was withheld by National Treasury as a result of slow spending on capital projects. Requests for roll-overs on unspent funds were made to Provincial Treasury and National Treasury in order to complete capital projects in progress and to complete certain projects in progress with regards to the HIV & Aids grant.

2.1.12 Capital Investment, Maintenance and Asset Management Plan

Major Assets, 31 March 2011					
Item	Opening Balance	Adjustments	Additions	Disposals	Closing Balance
Transport Assets	76,818,000.00	-1,824,648.46	11,294,454.71	16,464,942.70	69,822,863.55
Computer Equipment	69,766,000.00	-1,687,142.67	34,703,485.30	4,849,246.38	97,933,096.25
Furniture & Office Equipment	27,666,000.00	-2,458,566.32	8,629,930.90	446,160.84	33,391,203.74
Other Machinery & Equipment	545,321,000.00	-718,544.85	153,098,000.00	8,857,717.98	688,842,737.30
Computer Software	1,557,000.00	-39,572.00	-	98,916.66	1,418,511.34
Other Intangibles	75,000.00	-75,231.06	-	-	-231.06
Total	721,203,000.00	-6,803,705.36	207,725,870.91	30,716,984.56	891,408,181.10

***Note:** Theft & Losses amounting to **R608 780.58** will be investigated and written off against the closing balance as per attached list.

The Department has appointed service provider from January 2011 until December 2011 to bar code assets with quality bar-codes and update the asset register accordingly.

Progress with Regard to Capturing Assets in the Register:

All assets of the FSDOH are purchased through the Asset Module on the LOGIS system which is the only approved system. All additions appear on the asset module on LOGIS. An external service provider was appointed in January 2011 to assist with the updating of the departmental asset register and to ensure that it complies with the minimum requirements of National Asset Guidelines.

Establishment of Asset Management Units.

The Department is in the process of establishing Asset Management Units at the Institutions. The local heads of Supply Chain Management will take responsibility of ensuring assets are managed accordingly.

Indication of Extent of Compliance with the Minimum Requirements and Asset Management Reforms.

The minimum requirements of the Asset Register are met. The Logis Asset Register makes provision of the following:

- Acquisition
- Identification
- Accountability
- Performance
- Disposal
- Accounting

PROJECT / INSTITUTIONS	AMOUNT
NATIONAL HOSPITAL	159,492.89
MUCPP	238,659.00
UNILEC	282,480.60
MANAPO	64,037.46
SIGNAGE	2,250,234.01
FUMANE TRADING	396,564.98
MANCOFS	39,998.35
TRANSFERS FOR CLINICS TO FDC AND MUNICIPALITIES	14,000,000.00
TOTAL	17,431,467.29

How the actual expenditure compares to what the department planned to spend on maintenance: The bulk of the expenditure was for clinics and not for maintenance as intended. Refer to table above. Whether the expenditure is more or less than the property industry norms: Expenditure less than norms, as the bulk of the funds were used more on non-maintenance projects.

Progress made in addressing the maintenance backlog during the period under review: Not much progress was made as anticipated due to the non-approval of the maintenance plans, hence funds were used for construction and repairs of clinics.

2.2 Programme Performance

The activities of the HEALTH: Department are organized in the following programmes:

- Programme 1: Administration
- Programme 2: District Health Services
- Programme 3: Emergency Medical Services
- Programme 4: Provincial Hospitals
- Programme 5: Central & Tertiary Hospitals
- Programme 6: Health Sciences and Training
- Programme 7: Health Care Support Services
- Programme 8: Health Facilities Management

PROGRAMME 1: ADMINISTRATION

Purpose: The aim of the Programme is to render the overall management and administration support to the Department.

Strategic Objectives:

- Implementation of the political strategic direction of the Free State Department of Health.
- Implementation of an integrated strategic planning and reporting framework in line with PFMA and prescripts.
- Implementation of a comprehensive Human Resources Plan for the Department.
- Improve information communication technology systems.
- Improve Health Technology
- Ensure compliance with the Public Finance Management Act (PFMA) and Treasury Regulations.
- Implementation of cost effective procurement process.
- Comply with BBBEE and PPPFA policies and FSPP and promote local and South African products.
- Strengthening Supply Chain Management (SCM) in line with policy prescripts.
- Improve asset management by establishing a comprehensive Asset Register.
- Improve Transport and Fleet Management.
- Improved Service Level for the Medical Depot.
- Ensure compliance of pharmacy facilities in line with legislation to enhance service delivery.

TABLE 2.1: PERFORMANCE AGAINST TARGETS FROM 2010/11 ANNUAL PERFORMANCE PLAN FOR THE ADMINISTRATION PROGRAMME

SUB PROGRAMME: OFFICE OF THE MEC				
STRATEGIC GOAL 1: Provision of Strategic Leadership and Creation of Social Compact for Better Health Outcomes				
GOAL STATEMENT: Integrated Planning				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Implementation of the political strategic direction of the Free State Department of Health.	Alignment of corporate plans within the mandate of the Free State Department of Health	Plans aligned and reports submitted as prescribed.	Plans aligned to GPOA and reports submitted as prescribed. 5yr Strategic Plan available.	On target

SUB PROGRAMME: PROVINCIAL MANAGEMENT
STRATEGIC GOAL 1:
Provision of Strategic Leadership and Creation of Social Compact for Better Health Outcomes
GOAL STATEMENT: Integrated Planning

Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Implementation of an integrated strategic planning and reporting framework in line with PFMA and prescripts.	Compliance with national and provincial strategic planning and reporting prescripts.	Compliance (with plans and reports in line with pre-scripts).	The Final 2011/12 - 2013/14 FSDOH Annual Performance Plan (APP) was submitted to Provincial Treasury and the Provincial Legislature on 22 March 2011, within the prescribed deadline and prescripts.	On target

STRATEGIC GOAL 5: Improved Human Resource Management
GOAL STATEMENT: Implementation of a Comprehensive Human Resource Plan

Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Implementation of a comprehensive Human Resources Plan for the Department.	Number of Institutions / offices with fully functional Occupational Health- and Employee Wellness Program.	29 institutions / offices with fully functional Occupational Health- and Employee Wellness Program	All 29 institutions have fully functional Occupational Health and Employee Wellness Program.	On target
	Number of critical posts filled	6% of critical posts filled	19% vacancy rate (3 827/19 713 posts) Based on approved posts after abolishment of 8 688 posts from the initial 28 401)	When the original target was developed the staff establishment still reflected unfunded vacancies. In order to ensure compliance approval was then granted by the MEC: Health to abolish all the unfunded vacancies.
	Number of Community Service Health professionals retained	30% of Community Service Health Professionals retained	36.04% (111) of 308 community service health professionals were retained in permanent posts.	On target
	Number of Bursary holders retained	90% of Bursary Holders retained	98% (40) out of 41 bursary holders retained.	On target

STRATEGIC GOAL 6: Overhaul the Health System and Improve its Management

GOAL STATEMENT: Ensure Availability of Appropriate Technology

Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Improve information communication technology systems.	Approved ICT Comprehensive Plan.	Approve and Implement ICT Comprehensive plan	ICT plan revised, still to be approved.	The plan is still in the process of being revised and will be approved once the revision is complete.
	Number of institutions ICT upgraded and/or replaced.	4 Health Institutions (replaced)	Servers at 6 Institutions were replaced.	On target
		2 Health Institutions (Upgraded)		
Improve Health Technology	Number of new facilities equipped	3 Hospitals 5 Clinics 1 CHC	3 Hospitals 40% equipped. 1 Clinic fully equipped.	Hospitals were slow in procuring and at Clinics challenges regarding funding were experienced. The CHC is still in process of being built, therefore no equipment was purchased.
	Standardised Equipment lists at all levels of care	Drafts available for all levels of care	Standardised Equipment lists at all levels of care was submitted for approval.	On target

GOAL STATEMENT: Improve Financial Management

Ensure compliance with the Public Finance Management Act (PFMA) and Treasury Regulations.	Statement/reports/certificates submitted in line with prescripts.	Submit monthly 10 days after BAS closure.	Statement/reports/certificates were compiled and submitted monthly 10 days after BAS closure.	On target
	Operation Clean Audit 2014.	Monitor implementation of Audit Plan.	Complied in monitoring the audit plan.	On target
Implementation of cost effective procurement process.	Implementation of cost effective procurement process.	100	10 of 11 contracts concluded were below the market value.	One contract was concluded above market value as the lower offers did not comply with the evaluation criteria.
Comply with BBBEE and PPPFA policies and FSPP and promote local and South African products.	170% on procurement of goods and services spent on SMME and HDIs.	Spending 60 % on SMMEs and HDIs.	The total spending on procurement of goods and services from SMME and HDIs were 40%	Goods and services procured were highly specialized that limited the participation of the HDIs and SMMEs.

¹ The actual spending on SMME and HDI is calculated by using the total spent / actual expenditure on goods and services, divided by departmental total budget on goods and services

STRATEGIC GOAL 6: Overhaul the Health System and Improve its Management

GOAL STATEMENT: Improve Asset Management

Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Strengthening Supply Chain Management (SCM) in line with policy prescripts.	Number of institutions implementing all elements of supply Chain Management Policies.	80% (25 of 31) of institutions fully implementing 5/5 elements of SCM: •Demand Management •Acquisition Management •Logistics Management •Disposal Management •Supply Chain Management Performance Contract	0 of /25 (SCM to provide input)	Not all elements fully implemented due to shortage of staff. Only the demand, acquisition, logistics and disposal management functions could be implemented with the current staffing levels.
Improve asset management by establishing a comprehensive Asset Register.	Availability of the comprehensive Asset Register.	Accurate and electronic Asset Register.	40% implemented	The Department has appointed a service provider from January 2011 until December 2011 to bar-code assets with quality bar-codes and update the asset register accordingly. But due to a lack of capacity and skills within the department only 40% of the Electronic ASSET Register could be achieved. Completed Institutions are FSSON, Botshabelo Hospital, BFN Laundry and DR JS Moroka.
Improve Transport and Fleet Management.	Fully functional of electronic fleet management system (database)	Address the underlying cause of inability to implement electronic fleet management system.	50% implemented	Two of the underlying causes for not implementing the electronic fleet management system were that at FSSON Bloemfontein they are experiencing challenges due to other trip authorities that could not be assigned. And at FSPC a shortage of staff and the need for training.

GOAL STATEMENT: Improve Availability of Medicines and Consumables

Improved Service Level for the Medical Depot.	% institutional demand met within standard delivery time Emergency medicines: 48 hours Others (4-6 weeks)	Meet at least 80% demand of institutions.	53.98%.	The demand of the intuitions could not be fully met due to poor supplier performance that was experienced and erratic ordering patterns from the institutions.
	Improve the recovery of outstanding debt from institutions	80% of all outstanding payments owed by DoH settled within 30 days (once cash flow problem has been resolved).	83%	On target

GOAL STATEMENT: Implement Comprehensive Health Services

Ensure compliance of pharmacy facilities in line with legislation to enhance service delivery.	Number of pharmacy facilities that are fully compliant with legislation.	39 fully complaint Hospital and CHC pharmacy facilities	25 Hospitals and CHC's fully compliant	Pharmacy registration with SA Pharmacy Council had lapsed at 31 Dec 2010 and therefore not all 39 Hospital and CHC Pharmacy facilities were accredited. The Department re-applied and are awaiting inspection from the SAPC
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Reasons for major variances:

- Pharmacy registration with SA Pharmacy Council had lapsed; therefore not all 39 Hospital and CHC Pharmacy facilities were accredited.
- Poor supplier performance had a negative impact on the standard delivery time of emergency medicines within 48 hours and others between 4-6 weeks.
- A shortage of staff and the need for training within the supply chain management environment had a negative impact on the achieving of implementation of the Supply Chain Management elements, Fleet Management and proper Asset Management.

PROGRAMME 2: DISTRICT HEALTH SERVICES (DHS)

PURPOSE:

The aim of District Health Services is to provide level 1 service at the Primary Health Care, Clinics and the Districts Hospitals.

Strategic Objectives:

District Management

- Ensure functional governance structures at all level 1 facilities
- Extend the scope of the NGO's beyond the specific programmes beyond HIV AIDS and TB Programmes.
- Ensure implementation of Batho Pele Revitalization program.
- Measure public and private health facilities performance against national core standards.
- Intensify health promotion programs.
- Enhance the implementation of school health services.
- Strengthen "National 18 Priority District Project" at Thabo Mofutsanyana, i.e. Maluti-a-Phofung Sub-District.
- Improve accessibility of services at Primary Health Care facilities and District hospitals.
- Strengthen Rural Health Services.
- Improve patient care & satisfaction.
- Strengthen the implementation of the District Health System policy.
- Strengthen Rural Health Strategy.
- Provide appropriate and accessible health care services at Clinics for designated catchment population.

District Hospitals

- Improve accessibility of services at Primary Health Care facilities and District hospitals.
- Provide appropriate and accessible District hospital services to FS community.

HIV and AIDS

- Improve TB treatment outcomes
- Reduce the incidence of drug resistant TB.
- Reduce the incidence of HIV infection
- Expand access to ART for people living with HIV and AIDS.
- Comprehensive Care, Management and Treatment Plan for HIV and AIDS (CCMT).

Nutrition (includes Maternal, Child and Women's Health)

- Reduce infant and under-5 child morbidity and mortality.
- Reduce maternal mortality and morbidity.
- Improve access to Termination of Pregnancy (TOP) services.

Non Communicable Diseases

- Early detection and rapid response to disease outbreaks to reduce morbidity and mortality.
- Strengthen surveillance on priority communicable disease.

TABLE 2.2: PERFORMANCE AGAINST TARGETS FROM 2010/11 ANNUAL PERFORMANCE PLAN FOR THE DISTRICT HEALTH SERVICES (DHS) PROGRAMME

SUB PROGRAMME: DISTRICT MANAGEMENT				
STRATEGIC GOAL 1: Provision of Strategic Leadership and Creation of Social Compact for Better Health Outcomes				
GOAL STATEMENT: Integrated Planning				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Ensure functional governance structures at all level 1 facilities	Number of governance structures having at least 6 meetings.	196 Clinics Committees & 5 District Health Councils (DHC)	5 DHCs functional, 183 Clinic Committees functional	The selection and Re-appointment of clinics committees was not finalized yet in 13 sub-districts yet.
		13 Hospital Boards	13 Hospital Boards	On target
Extend the scope of the NGO's beyond the specific programmes beyond HIV AIDS and TB Programmes.	Number of NGO's on service level agreements to do other PHC functions support, education defaulter and tracing.	60 NGOs on service level agreements to do other PHC functions support, education and defaulter tracing.	66	1 extra NGO at Thabo Mofutsanyana District funded by National Dep. of Health (18 Priority District) Additional 5 NGOs currently rendering the service although Service Level Agreement is still in process.
STRATEGIC GOAL 2: Improve the Quality of Health Services				
GOAL STATEMENT: Improve Implementation of Quality Improvement Strategies				
Ensure implementation of Batho Pele Revitalization program.	Number of institutions complying with Batho Pele Revitalization Program (BPRP).	100 institutions complying with BPRP	123 institutions complying with BPRP at an average of 76%	Currently 123 institutions are compliant with BPRP as the services are strengthened.
Measure public and private health facilities performance against national core standards.	Number of health establishments with performance assessment reports	112 health establishments with performance assessment reports	127 health establishments with performance assessment reports	The appointment of Quality Assurance Coordinators in all the Districts enabled more facilities to be assessed therefore the increased of establishments assessed.
Intensify health promotion programs.	Number of Local Areas implementing Healthy lifestyles plan.	20 local areas	All 20 local areas are implementing Healthy lifestyles promotion programs.	On target
Enhance the implementation of school health services.	Number of Local Areas implementing school health services.	20 local areas	20 local areas implemented school health services.	On target

GOAL STATEMENT: Increase Utilisation of Effective Interventions

Strengthen "National 18 Priority District Project" at Thabo Mofutsanyana. eMaluti – A - Phofung	Reduce infant mortality < 1 year	41 per 1 000 live births	28 per 1 000 live births	Data is facility based, and excludes deaths outside our facilities. MMR is higher in Maluti – A –Phofung as a priority sub district (Nodal point) compared to other parts of the Province. Provincial MMR is 243 per 100 000.
	Reduce child mortality < 5 years	15 per 1 000 population	35 per 1 000 live births	
	Reduce maternal mortality and morbidity	244 per 100 000 live births	288 per 100 000 live births	
Improve accessibility of services at Primary Health Care facilities and District Hospitals.	Number of facilities implementing the full PHC (based on the referral system) and District Hospital packages.	212/212 clinics	212 Clinics are rendering the full package in line with the referral system and District Health package	On target
		6/24 district hospitals	6/24 District Hospitals are rendering hospital package in line with the referral system	On target
Strengthen Rural Health Strategy.	Adherence to 6 weekly mobile clinic visits to the farms	6 weekly visits	4 Districts are visited 4-6 weekly	4 Districts are visited 4-6 weekly except Thabo Mofutsanyana District due to shortage of mobiles.
Improve patient care & satisfaction	Improve patient satisfaction rate at level 1 services to 80%	85%	83% (Independent study)	Independent survey for first quarter was 72%, this improved to 83% in last quarter for 2010/11 due to intervention strategies that was put in place.

STRATEGIC GOAL 6: Overhaul the Health System and Improve its Management
GOAL STATEMENT: Strengthen the Implementation of the District Health System Policy

Strengthen the implementation of the District Health System policy.	District Health Services provincial policy developed and implemented	Policy implemented	DHS Model policy developed and implemented	On target
Strengthen Rural Health Strategy.	Number of farms visited by a mobile every 6 weeks.	4 000	29 971	The target of 4 000 was under estimated for the Province and was exceeded also due to some farms that were visited more than twice per quarter.

SUB PROGRAMME: PRIMARY HEALTH CARE CLINICS

STRATEGIC GOAL 2: Improve the Quality of Health Services

GOAL STATEMENT: Improve Comprehensive Health Services

Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Provide appropriate and accessible health care services at Clinics for designated catchment population	No of local areas implementing appropriate PHC package.	All 20 Sub-Districts are implementing the PHC package	All 20 sub districts implement PHC package	On target
		All 212 Sub-districts in line with the referral system	All 212 Clinics implementing the appropriate package in line with the referral system.	On target
		Utilization rates CHC facilities below 5 years (5 visits) 5.0	DHIS: 3.5	The low utilization rate may be as a result of the impact of community based services. The terminally ill are visited by Home based Carers and therefore don't visit clinics regularly and the figures for home visits are not included in computing the utilisation rates. The department is developing indicators to measure community based health services impact on the utilization rates.

SUB PROGRAMME: DISTRICT HOSPITALS
STRATEGIC GOAL 2: Improve Quality of Health Services
GOAL STATEMENT: Improve Comprehensive Health Services

Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Implement quality assurance Policy and Strategy at institutions.	Number of institutions fully compliant to quality assurance policy & strategy.	21 district hospitals to reach 80%	Only 11 out of 21 district hospitals achieved 80%	Shortage of dedicated Quality Assurance, Infection Control, Health and Safety posts in District hospitals. Infra-structural Challenges are also hindering the achievement of the indicated target.
Improve accessibility of services at Primary Health Care facilities and District hospitals.	Number of facilities implementing the full PHC and District Hospital packages	1 clinic per district & 1 district hospital	212 clinics and 6 district hospitals rendering full packages in line with referral system.	On target
		STP: 6 Dist. Hospitals & 10 CHCs	10 CHC	Configuration of hospitals not yet implemented. Still awaiting approval for the STP
Provide appropriate and accessible District hospital services to FS community	Progress on achievement of efficiency targets (provincial PHC headcount at PHC facilities) (National target R99) (QRS) <ul style="list-style-type: none"> • Cost per PDE (R814) • ALOS (3.2 days) Bed Occupancy Rate (70 – 80%) 	Cost per PDE: R1300.00	DHIS: R1 586.00	The higher cost/PDE is as a result of the escalation of costs for example, medication, OSD of new cadres, burden of disease etc.
		ALOS: 3 days	DHS: 3 days	On target
		BOR: 75%	DHS: 63%	This can be attributed to the gross shortage of health professionals, especially Medical Officers and Professional Nurses at primary health care level.
Implement provincial quality improvement strategy	No of institutions compliant with Hospital Emergency Preparedness Plans	All district hospitals have emergency preparedness plans	24 District Hospitals have emergency preparedness plans in place and implemented	On target

Sub Program: Coroner Services

Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Expanding medico legal mortuary services to offer comprehensive services on a 24- hour basis.	Number of mortuaries that collect and release bodies on a 24 -hour basis.	1 of the 6 mortuaries receiving and releasing bodies on a 24- hour basis. The remaining 5 continue to receive as before.	6 mortuaries receiving and releasing bodies on a 24- hour basis.	Demand for the releasing of bodies after hours is low and can be satisfied on ad hoc basis by skeleton staff.

Sub Program: HIV & AIDS

Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Improve TB treatment outcomes.	Smear conversion rate of new positive patients at 2 months.	77	72.1%	Due to late collection of sputum at the end of 2 months there was a decrease in the smear conversion rate. Data reporting regarding this indicator was also experience, some District were not able to submit data for the 3 rd quarter.
	TB cure rate of new smear positive patients.	75	71.5%	The cure rate is negatively influenced by the increase of the defaulter rate and the still high death rate.
	TB treatment defaulter rate.	4.4	4.6%	On target
Reduce the incidence of drug resistant TB.	Proportion of MDR TB amongst TB patients.	3	1.3%	Tracer teams are not fully in place for case detection therefore the actual could still further improve.
	Proportion of XDR TB amongst MDR TB patients.	1	0,7%	On target.

Sub Program: HIV & AIDS

Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Reduce the incidence of HIV infection	Proportion of ART patients treated for new STI.	3% of ART patients treated for new STI	0.30 %	The proportion of ART patients treated for new STI depends on clients being able to declare their HIV and STI status.
	Proportion of ANC clients tested for HIV. <i>Numerator:</i> Antenatal client INITIATED on AZT <i>Denominator:</i> Antenatal client (Not on HAART) HIV test positive - total	100% of ANC clients tested for HIV.	89%	All ANC Clients are offered Provider Initiated Counselling and Testing (PICT). Clients however have a choice not to test and cannot be coerced to do so.
Expand access to ART for people living with HIV and AIDS	Number of adult patients initiated on ART.	61 720	73 917 adult patients initiated on ART	Successful HCT campaigns and other health promotion activities increased the number of adult patients initiated on ART. The estimated target was over achieved by 12 197.
	Number of child patients initiated on ART	7 628	8 062 child patient initiated on AR	Successful HCT campaigns and other health promotion activities increased the number of child patients initiated on ART. The estimated target was over achieved by 434.

Sub Program: HIV & AIDS

Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Comprehensive Care Management and Treatment Plan for HIV and AIDS (CCMT).	Percentage of ante-natal care facilities implementing revised therapy for PMTCT.	100% of facilities where antenatal care is delivered implementing the revised PMTCT therapy	100% of facilities is delivering the revised PMTCT therapy	On target
	Reduction in Mother to Child Transmission Rate	8% MTC Transmission Rate	4%	The HIV and Aids Strategic Plan for SA (NSP) target is 5% which has been exceeded. It is important to take into consideration the PCR coverage.
	% of HIV exposed infants receiving Dual Therapy.	100	100%	On target
	% of Eligible co-infected patients initiated on treatment	100	54%	This was a new indicator and data has only been collected from the July 2010. Eligible co-infected patients currently on waiting lists to be initiated.
	Rate of TB screening among HIV positive patients.	95% of HIV patients screened for TB	96% of HIV patients screened for TB	On target
	IPT uptake among HIV positive patients.	30% uptake	28% IPT uptake among HIV positive patients.	mencement of the IPT uptake among HIV positive patients was delayed due to the unavailability of INH in facilities.

Sub Program: Maternal, Child and Women's Health

Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Reduce infant and under 5 child morbidity and mortality.	Reduction in under 5 child mortality	58.2 per 1000 population <5	26 per 1000 population <5 (Facility based data)	Although this looks like the Department has exceeded the target, it is important to note that the data is facility based and does not reflect deaths outside the facilities and private hospitals. The more reliable figures will be provided by the Demographic and Health Survey.
	Reduction in infant mortality.	41 per 1000 population under 1 year.	23 per 1000 live births (Facility based data)	Although this looks like the Department has exceeded the target, it is important to note that the data is facility based and does not reflect deaths outside the facility and those taking place in private hospitals. The more reliable figures will be provided by the Demographic and Health Survey.
	Immunisation coverage	90% Expanded Programme on Immunisation coverage	81.5%	The coverage was negatively affected by the prolonged immunization campaign earlier in the year.

Sub Program: Maternal, Child and Women's Health

Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Reduce maternal mortality and morbidity.	Maternal mortality ratio (MMR) per calendar year (overall).	Reduce MMR to 244 per 100 000 live births	243 per 100 000 live births	On target
	Maternal mortality ratio per calendar year (obstetric related).	Reduce MMR due to obstetric related causes to 23	Obstetric related causes 42.3%	MMR due to pre and post partum haemorrhage increased inexplicably despite the availability of blood in Caesarean Section facilities in the Province. We need to conduct workshops on the use as blood in the facilities targeting Doctors and Midwives.
	Number of health care professionals trained in ESMOE	30 Doctors 50 Midwives Trained in ESMOE	102 Health Professionals trained on ESMOE	The coverage of more health professionals (i.e. midwives and interns) with ESMOE is an important strategy, and so is full implementation of the provincial Saving Babies Plan.
Improve access to Termination of Pregnancy (TOP) services.	Number of health facilities designated for provision of TOP services.	24 facilities providing TOP Services	Total of 24 facilities provide TOP. Only 6 public facilities functional and private 18 private facilities.	Access to TOP in Public Facilities remains a challenge as six facilities are not enough. This is attributed to Religious and Cultural beliefs of health professionals and the fact that they are entitled to conscientious objection. The absence of incentives does not assist.

Sub Program: Non Communicable Diseases

Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Early detection and rapid response to disease outbreaks to reduce morbidity and mortality.	Outbreak response responded to with 24 hours.	1 day	1 day	On target
Strengthen surveillance on priority communicable diseases.	Malaria fatality rate (annual).	0%	0%	On target
	Cholera fatality rate(annual).	0%	0%	On target

Reasons for major variances:

- The calculation and estimation of targets within the program had created difficulties in determining the actual performance of a set indicator, such as the farms visited as well as adult and child patients initiated on ART. This created major variances between the target and the actual performance.
- The department had some difficulties against some of its targets due to the gross shortage of health professionals, especially Medical Officers and Professional Nurses at primary health care level; this was reflected in the bed utilization rate of District Hospital.
- Data collection at District and facility level creates challenges in the validation process of data, as Districts are not always able to submit before deadlines or closing dates. This had an impact on the indicator, Smear conversion rate of new positive patients at 2 months. In cases such as the indicator for Reduction in under 5 child mortality and Reduction in infant mortality it is important to note that the data is facility based and does not reflect deaths outside the facilities and private hospitals.
- Data for the percentage of Eligible co-infected patients initiated on treatment could also only be captured from July 2010.

PROGRAMME 3: EMERGENCY MEDICAL (AND RESCUE) SERVICES

Purpose: The aim of this programme is to provide emergency medical rescue and transport services to all patients in the Free State Province within the shortest possible time.

Strategic Objectives:

- Provide an efficient pre-hospital and inter-hospital patient transport service.
- Provide an efficient preparedness and response plan to disaster in the Free State province.
- Provision of effective EMS communications Centres.
- Provide an efficient pre-hospital and inter-hospital patient transport service.

TABLE 2.3: PERFORMANCE AGAINST TARGETS FROM 2010/11 ANNUAL PERFORMANCE PLAN FOR THE EMERGENCY MEDICAL SERVICES PROGRAMME

SUB PROGRAMME: EMERGENCY MEDICAL SERVICES				
STRATEGIC GOAL 2: Improve Quality of Health Services				
GOAL STATEMENT: Implement Comprehensive Health Services				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Provide an efficient pre-hospital and inter-hospital patient transport service.	Number of ambulances per 10 000 people.	40% (108) of required vehicles (270)	35.5% (96) ambulances operational	No additional funding was available for the recruitment of personnel and for the leasing of additional vehicles. The department have 96 ambulances that are fully operational with personnel, resulting in a shortfall of 194 ambulances in the province for the year 2010/11.
	% of calls within national urban and rural targets (Urban: 15 min) (Rural: 40 min)	Urban: 65% Rural: 40%	Urban: 29.3% Rural: 22.6%	The national norm is one ambulance per 10 000 population with a response time of urban <15 minutes and rural <40 minutes. With the Free State population estimate of 2,9 million, 290 ambulances are required to render an effective service to the community.
	% of ambulances with less than 500 000 km on the odometer.	60%	61%	On target
Provide an efficient preparedness and response plan to disaster in the Free State province.	Number of disaster exercise/drills done per district.	2 per district.	3/5 Districts have conducted the two Disaster Exercises	Two districts have not completed the required two exercises for the year; however the districts have conducted table top exercises.

SUB PROGRAMME: EMERGENCY MEDICAL SERVICES**STRATEGIC GOAL 2: Improve Quality of Health Services****GOAL STATEMENT: Implement Comprehensive Health Services**

Provision of effective EMS communications Centres.	Number of EMS Communications Centre established.	Develop backup centre at Thabo Mofutsanyana	Maintain existing communication centre.	The establishment of an additional call centre in Thabo Mofutsanyana did not materialise due to re-prioritisation of the budget to other priority programmes. The radio network is also posing a challenge since the ambulances are not able to communicate directly with the call centre in Bloemfontein
Provide an efficient pre-hospital and inter-hospital patient transport service.	Number of patients transported by planned patient transport service.	627 000	500 254	This is an indication that less number of patients was referred to the next level of care compared to the target of 620 000. This indicated that the Districts Hospitals are managing more patients at their facilities.

Reasons for Major Variances:

- The lack of ambulances and personnel in Emergency Medical Services has a huge bearing on the compliance to the National Norm of response times. This has an impact on the number of ambulance that is rostered on a twenty-four hour basis.
- Additional funding will be required for the recruitment and procurement of vehicles so that the Department could reach the required 290 ambulances and also come close to the National Target of Response Times.

PROGRAMME 4: PROVINCIAL HOSPITALS

Purpose: The purpose of Provincial Hospital Services is to provide level 2 Hospital Services or Specialist Hospital Services. In the Free State, the level 2 services are provided in 5 Regional Hospitals and 1 Psychiatric Hospital.

Strategic Objectives:

- Align the Hospital Boards and Mental Health Review Boards with Mental Health Care Act and National Health Act.
- Filling of vacant Executive Management posts with appropriately qualified personnel.
- Support the provision of Financial, Human Resource and Supply Chain Management delegations to hospital CEOs.
- Ensure adherence to service level agreements with strategic partners.
- Ensure provision of a full package of Regional Hospital services and Comprehensive Psychiatric services.
- Achieve efficiency targets as per hospital (QRS)
- Provide outreach services to lower levels of care.
- Implement quality management programme, Batho Pele and Patient Rights Charter.
- Provide appropriate equipment.
- Ensure good hygienic standards in hospitals.
- Implement the Infection prevention and control programme per hospital.
- Ensure waiting times are according to national core standards.
- Ensure that patients are treated with dignity and respect.
- Improve patient safety.
- Improve availability of medication and medical consumables.
- Implement strategies of integration of management of TB and HIV and AIDS in hospital.
- Implement HCT in hospitals, including voluntary testing.
- Conduct Health Promotion activities in hospitals.
- Implement Skill Mix Nursing Model.
- Filling of critical posts.
- Provide a service delivery model for regional hospital aligned to STP (Service Transformation Plan).
- Implement quality improvement programmes to support the implementation of National Health Insurance (NHI).
- Coordinate research conducted in Hospitals.

TABLE 2.4: PERFORMANCE AGAINST TARGETS FROM 2010/11 ANNUAL PERFORMANCE PLAN FOR THE PROVINCIAL HOSPITAL SERVICES ROGRAMME

PROGRAMME 4: PROVINCIAL HOSPITAL SERVICES				
STRATEGIC GOAL 2: Provision of Strategic Leadership and Creation of Social Compact for Better Health Outcomes				
GOAL STATEMENT: Strengthen Governance Structures				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Align the Hospital Boards and Mental Health Review Boards with Mental Health Care Act and National Health Act.	Number of Hospital Boards aligned to National Health Act.	5 Hospital Boards aligned to National Health Act.	New Hospital Boards appointed in February 2011 for all provincial hospitals.	On target
	Number of Mental Health Review Boards functioning according to legislation.	3 Mental Health Review Boards functioning according to legislation.	The Mental Health Review Boards are functional	On target
Filling of vacant Executive Management posts with appropriate qualified personnel	Number of Hospital Executive Management teams and CEOs qualified in Hospital Management	6 Hospital CEOs qualified in Hospital Management	The CEOs are qualified in Management.	On target
Support the provision of Financial, Human Resource and Supply Chain Management delegations to hospital CEOs.	Hospital management authority delegated to CEOs	100% of HRM, Finance and SCM	100% of HRM, Finance and SCM	On target
Ensure adherence to service level agreements with strategic partners.	% of compliance with PPP service level agreements and co-operative relations with local Private Health Sector, NGO's and integrated infrastructure planning with other Government Departments.	PPP = 100% Private Sector, NGO's and other departments ad hoc	100% compliance with PPP service level agreements and co-operative relations with local Private Health Sector, NGOs and integrated infrastructure planning with other Government Departments.	On target

STRATEGIC GOAL 2: Improve Quality of Health Services

GOAL STATEMENT: Implement Comprehensive Health Services

Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Ensure provision of a full package of Regional Hospital services and Comprehensive Hospital Psychiatric services.	Number of level 2 disciplines and comprehensive psychiatric services available.	Bongani: 8/9 Boitumelo: 7/9 Dihlabeng: 8/9 MMM: 5/9 Pelonomi: 9/9 FSPC: 1	Number of level 2 disciplines is: Bongani: 9/9 Boitumelo: 6/9 Dihlabeng: 8/9 MMM: 4/9 Pelonomi: 9/9	At Boitumelo Regional Hospital the seventh specialist (O&G) was appointed, but one specialist (Family Med.) took a transfer to another hospital. MMM: The anesthetist resigned and the management is in the process of recruiting the replacement.
Achieve efficiency targets as per hospital (QRS)	Progression on achievement of efficiency targets as per hospital (QRS).	ALOS: 4.6 BUR: 75% Cost/PDE: R2000	ALOS: 5 days BUR: 71.7% Cost/PDE: R1867.00	The shortage of specialists affects the admission of patients and the rendering of appropriate specialised care, which influence the Bed utilization rate.
Provide outreach services to lower levels of care	Number of clinical disciplines conducting outreach	4 clinical disciplines	Number of clinical disciplines conducting outreach is: Boitumelo: 2 Bongani: 1 Dihlabeng: 4 FSPC: 1, MMM: 1 and Pelonomi: 4	In Boitumelo, Bongani and MMM Hospitals the outreach was not done in 4 clinical disciplines due to shortage of specialists and other supporting clinicians. As a specialised psychiatric hospital, the FSPC conducted outreach only in Psychiatry.
Implement Quality Improvement programmes, Batho Pele and Patient Rights Charter.	Number of Hospitals implementing National Core Standards	6	The Provincial standards are incorporated and monitored as part of monitoring of COHSASA standards within all 6 Provincial Hospitals.	On target
Provide appropriate equipment.	% of planned equipment	90%	Dihlabeng: 71% FSPC: 80% Bongani: 91.48 Pelonomi: 83% Boitumelo: 99.31 MMM: 73%	Average of 83% of Programme budget for planned equipment was spent but due to the delays in the approval of capital acquisition plans and slow procurement processes the target could not be achieved within all the hospitals.

STRATEGIC GOAL 2: Improve Quality of Health Services

GOAL STATEMENT: Implement Comprehensive Health Services

Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Ensure good hygienic standards in hospitals.	Cleanliness score of $\geq 80\%$	$\geq 75\%$	Boitumelo: 59% Bongani: 84% Dihlabeng: 81.9% MMM: 83% Pelonomi: 75% FSPC: 79%	Construction work affected cleanliness at hospitals undergoing revitalisation.
	Number of dirty areas reported to the dedicated internal call centre.	3%	MMM: 1 Pelonomi: 8	Dedicated Call Centre could not be established because of personnel shortages.
Implement the Infection prevention and control programme per hospital.	Infection Control Plan available per hospital in line with National policy.	6	Infection control plan available in all 6 provincial hospitals and is implemented.	On target
	Nosocomial infection rate	$< 5\%$	Nosocomial infection rate of 1.91%.	On target
Ensure waiting times are according to national core standards.	Patient waiting times in Admissions, OPD, Casualty and Pharmacy are in line with National Core Standards.	Admissions : 30 minutes	Average Waiting times for 6 Regional Hospitals: Admissions: 54 min	Waiting times could not be reduced due to increased number of patients that were handled, especially in the morning peak times. This is due to increased burden of disease.
		OPD : 2 Hours	OPD: 185 min	
		Medical Casualty : 1 Hour	Medical Casualty: 102 min	
		Pharmacy : 1 Hour	Pharmacy: 69 min	
Ensure that patients are treated with dignity and respect.	% of staff wearing identity tags.	80% (6 Hospitals)	75.56% of staff is wearing name tags within the hospitals	The culture of wearing name tags had to be established in all hospitals. The name tags get lost due to poor quality of the magnets. Delays with procurement of name tags also caused shortages.
	Patient Satisfaction Rate	85%	83.7%	Challenges experienced in certain areas with regard to quality standards e.g. waiting times.
Improve availability of medication and medical consumables.	% of medication available.	90% (6 week buffer stock)	92.9% availability	On target
	% of medical Consumables available.	90% (6 week buffer stock)	86.4% availability	Challenges with SCM in institutions, due to shortage of personnel.

STRATEGIC GOAL 3: Reduce the Burden of Disease

GOAL STATEMENT: Increase Utilisation of Effective Interventions

Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Implement strategies of integration of management of TB and HIV and AIDS in hospital.	Number of TB focal points available in hospitals.	3	4 TB focal points in provincial hospitals	On target
	National and Provincial TB and HIV and AIDS policies implemented in hospitals.	6	6	On target
	Number of Hospitals with TB and HIV and AIDS coordinators.	4	6	On target
Implement HCT in hospitals, including Voluntary testing	Testing site available in all hospitals.	6	HCT Testing sites available in all the 6 hospitals	On target
Conduct Health Promotion activities in hospitals.	Number of Health Promotion activities conducted.	48	115 health promotion activities conducted	All health activities are indicated, 65 was conducted only at FSPC indicating that there was challenges with the classification of health promotion activities at the Hospitals.

STRATEGIC GOAL 5: Improved Human Resource Management

GOAL STATEMENT: Improve Skills of Personnel

Implement Skill Mix Nursing Model.	100% of Skill Mix Nursing Model implementation in hospitals.	50% (3) implementation in all provincial hospitals	The Skill Mix staff establishment has been proposed for regional and academic hospitals. The finalization and discussions with nurses of the institutions will be done in April 2011. 50% implementation was achieved.	On target
Filling of critical posts	% of posts filled.	80%	Dihlabeng: 50% Bongani: 89% FSPC: 50% MMM: 100%	Pelonomi and Boitumelo Hospitals had to use revitalization fund to fill some of their posts. FSPC and Dihlabeng Hospitals did not get the applicants for posts that were advertised.

STRATEGIC GOAL 6: Overhaul the Health System and Improve its Management

GOAL STATEMENT: Integrated Planning

Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Provide a service delivery model for regional hospitals aligned to STP (Service Transformation Plan)	% of Service Transformation Plan implementation	50% implemented	The Service Transformation is still within the planning phase.	Service Transformation Plan not finalized yet, inputs was submitted from the Regional Hospitals.
Implement quality improvement programmes to support the implementation of National Health Insurance (NHI).	% of compliance with quality standards.	80%	Results of compliance with Core Quality Standards are: FSPC: 90% MMM: 84% Pelonomi: 87% Bongani: 70% Dihlabeng: 92% Boitumelo: 77%	Lack of capacity to implement programmes to support implementation of NHI in Bongani and Boitumelo Regional Hospitals
STRATEGIC GOAL 7: Research and Development				
Coordinate research conducted in Hospitals.	Research registers available in hospitals	100%	100%	On target

Reasons for major variances:

- The shortage of specialists affects the admission of patients and to render appropriate specialised care, which influence the Bed utilization rate and conducting outreach services.
- Due to the finalization of capital acquisition plans and procurement processes the procurement of planned equipment could not be finalized within the financial year.
- Funding for the filling of post was a challenge for the Regional Hospitals.
- Reporting on the health promotion activities at the hospitals was interpreted differently.
- Waiting times could not be reduced due to the increased burden of disease.

PROGRAMME 5: CENTRAL AND TERTIARY HOSPITALS

The aim of Programme 5 is to manage, monitor, organise and render Level III and IV tertiary services in the Free State as well as training, education, research, service and service delivery of the Medical School and other schools in the faculty.

Purpose: The purpose of Programme 5 is to provide tertiary services to the central population of South Africa, including Lesotho. The additional population to be added for tertiary care is at least 50% of Lesotho population (1 million people) and around 20% of the population of the Northern Cape (200,000) and 270,000 from the Eastern Cape, thus bringing the catchment population to 4, 37 million people.

Strategic Objectives:

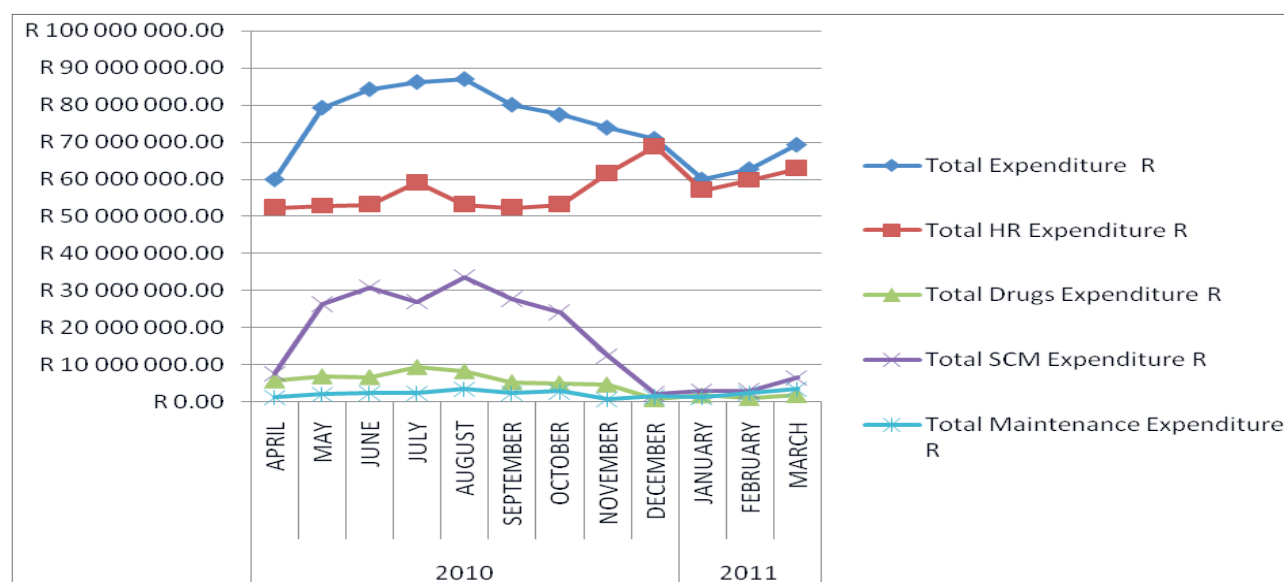
- Strengthen Collaboration with FHS: UFS and FHS: CUT and FSSoN, 3MIL and private training institutions to increase output of health professionals in areas of critical skills shortage.
- Ensure implementation of Batho Pele Program at UAH.
- Implement Clinical Governance Programme.
- Improve Patient Safety.
- Maintain Service Quality Standards of UAH.
- Implement Quality Improvement Plans for all departments at UAH.
- Reduce backlogs of tertiary service package to be rendered by the UAH.
- Annual upgrading/ replacement of UAH equipment.
- Development and Implementation of Professional Skills Mix Model (PSMM).
- Strengthen outreach to regional hospitals.
- Implement Telemedicine between UAH and regional hospitals.

PATIENT CARE

UAH is the only central tertiary hospital for the central part of Southern Africa, serving a population of roughly 4, 37 million people from the Free State, Northern Cape, Lesotho and the Eastern Cape.

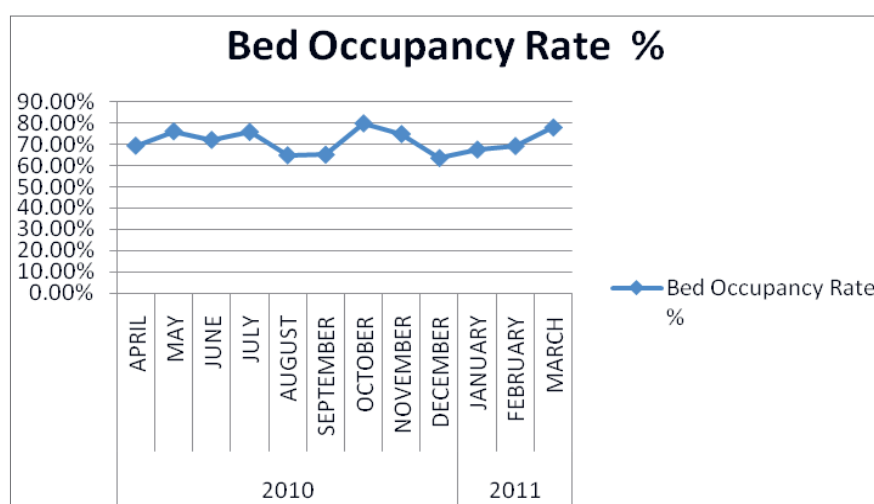
The following graphs give some important additional activity statistics for 2010/11 to reflect the level of activities at UAH. Expenditure patterns for 2010/11 were in line with normal cyclic annual variations.

Figure 5.1: UAH expenditure per economic category for 2010/11.



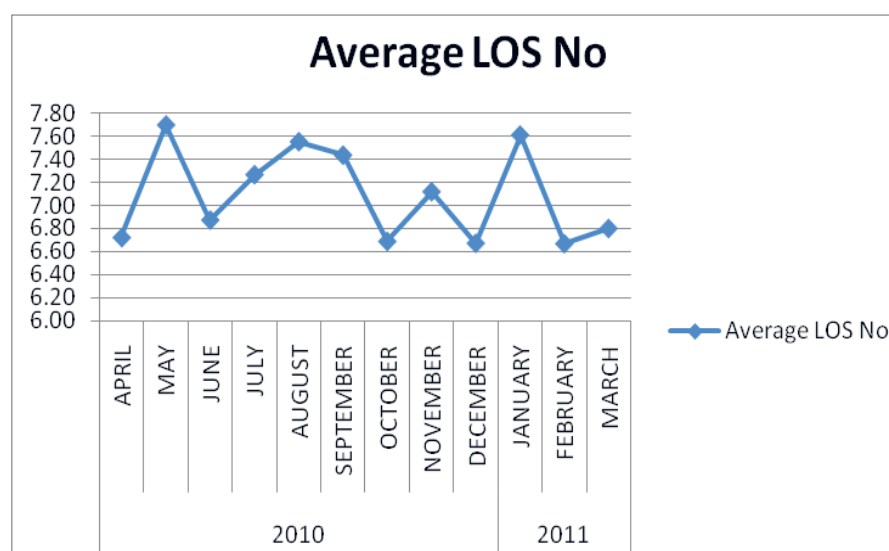
UAH experienced a constant grow in OPD visits and Patient Day Equivalents from April 2010 to March 2011, in line with previous growth patterns. The decline in numbers for November to January 2011 is again related to exams and festive season holidays.

Figure 5.2: UAH Occupancy Rate for 2010/11



UAH occupancy rates were on average 71% (up from 67% during 2009/10) with cyclic deviations reflecting exam and holiday times.

Figure 5.3.: UAH Average length of stay for 2010/11



The average length of stay for UAH was approximately 7, 1 days, down from 7, 5 days in 2009/10. This is still higher than the national target of 5,5 days. The reason for this can be found in the fact that UAH patients are sicker (more advanced pathology), wait longer for procedures in hospital due to the shortage of theatre time and stay longer post-procedure or post acute treatment due to the complexity of their diseases and challenges getting them down-referred to regional and district levels.

TABLE 2.5: PERFORMANCE AGAINST TARGETS FROM 2010/11 ANNUAL PERFORMANCE PLAN FOR THE CENTRAL HOSPITAL SERVICES PROGRAMME

PROGRAMME 5: CENTRAL HOSPITAL SERVICES				
STRATEGIC GOAL 1: Provision of Strategic Leadership and Creation of Social Compact for Better Health Outcomes				
GOAL STATEMENT: Strengthen Governance Structures				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Strengthen Collaboration with FHS: UFS and FHS: CUT and FSSoN, 3MIL and private training institutions to increase output of health professionals in areas of critical skills shortage.	% of departments experiencing a shortage with regards to health workers from critical skills categories	<10%	13.23%	UAH did its utmost to recruit and appoint health professionals in areas of critical skill shortage but on average could not achieve the target we set for ourselves. We made substantial progress though and came close to reaching a very challenging target for 2010/11.

STRATEGIC GOAL 2: Improve the Quality of Health Services
GOAL STATEMENT: Improve Implementation of Quality Improvement Strategies

Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Ensure implementation of Batho Pele Program at UAH.	Patient satisfaction rate	>90%	84%	Although the target was above 90%, the achieved 84% satisfaction rate, as measured independently by The Survey Workshop in March 2011. Internal questionnaires yielded 97% satisfaction rates.
Implement Clinical Governance Programme.	Clinical Governance Programme Implemented in UAH (M&M meeting, Clinical audits, Protocols and guidelines being followed, Peer review and Retrospective Medical Document Review in place).	Improved Clinical Governance with evidence for all aspects in place for at least 60% of all Departments	Measurement was problematic as sufficiently to proof were not always available.	All clinical departments are engaged in the Clinical Governance Programme by having weekly M&M meetings. Protocols and Clinical Guidelines are available for all disciplines and peer review is in place. The difficulty was that formal feedback was not obtained sufficiently to proof that all of this was taking place. UAH is doing a 10% sample of all discharged patients on which files a retrospective medical document review is done on a monthly basis.
Improve Patient Safety	% of SAC 1 and 2 (fatal and very serious adverse incidents per month).	Keep SAC 1+2 at UAH <25%	25% (26 out of 102)	On target
	% Incidents reported per admission.	UAH 4%	1,55%	On target
	Incident completion rate.	UAH 80%	93.5%	On target
	Nosocomial Infection Rate as a % of total admissions	UAH < 7% of total admissions	1.7%	The measurement changed from per admission to be expressed as a percentage of all patient days during this year. The new target should then be under 2% and UAH achieved this.
	Adverse Event Rate as a % of PDEs	< 10% of PDEs	0.36%	On target
Maintain Service Quality Standards of UAH.	Percentage Quality Assurance Score on the national Core Standards	>80% measured against core standards	>85%	As the first academic institution in SA that was accredited by COHSASA, UAH maintains its status and is well above our target of 80%
Implement Quality Improvement Plans for all departments at UAH.	% departments with 1 new quality improvement plan per annum, covering for example: patient safety; infection prevention and control; availability of medicines; waiting times and positive and caring attitudes among staff	Quality Improvement Plan in Place for UAH on those listed under indicator.	Total = 119 QIPs running in hospital. (67 are ongoing and 52 are new of the past year.)	The 6 ministerial injunction areas focused on all 30 clinical departments and were implemented.

STRATEGIC GOAL 3: Reduce the Burden of Disease

GOAL STATEMENT: Increase Implementation of Effective Interventions

Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Reduce backlogs of tertiary service package to be rendered by the UAH.	% of annual expected tertiary service volumes per discipline that cannot be rendered (% of annual patients not treated – on the waiting lists)	Average 25% of required tertiary service package not rendered at UAH	Currently estimated that on average above 27% volume of patients not served based on current waiting lists per department.	Waiting lists are substantial and still constituted 27% of patients not served of the full service package provided for and funded by the National Tertiary Services Grant for the Free State and Northern Cape (the traditional catchment population for UAH).

STRATEGIC GOAL 4: Revitalisation of Physical Infrastructure

GOAL STATEMENT: Improve the Maintenance and Upgrading of Facilities

Annual upgrading/replacement of UAH equipment.	% of UAH equipment value replaced. (Equipment value is estimated at R800m)	Replace an additional 10% of UAH equipment value.	Submission now finalised for lease of R67,2 million equipment	Critical equipment could not be replaced sufficiently. Total expenditure on capital was only R million as the intended hiring of medical equipment to the value of R67,2 million did not materialize for 2010/11.
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STRATEGIC GOAL 5: Improved Human Resource Management

GOAL STATEMENT: Improve Skills of Personnel

Development and Implementation of Professional Skills Mix Model (PSMM).	Percentage roll out of the PSMM Plan.	50% roll-out of the PSMM Plan	20%	Very slow progress was made with the roll out of the Professional Skills Mix Model. The Free State Department of health did appoint an official to actively support the role out of the Nursing skills mix model and to support the development of such a model for the other professional groups as well.
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STRATEGIC GOAL 6: Overhaul the Health System and Improve its Management
GOAL STATEMENT: Improve Implementation of Quality Improvement Strategies

Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Strengthen outreach to regional hospitals	Number of outreach visits per regional hospital per annum.	Bongani : 18, Dihlabeng: 14, MMM: 14, Boitumelo: 14	Bongani: 18 , Dihlabeng: 14, MMM :14, Boitumelo: 14	On target
	Number of departments involved per regional hospital.	Bongani: 5, Dihlabeng: 5, MMM: 5, Boitumelo: 5	Bongani: 5, Dihlabeng: 5, MMM: 5, Boitumelo: 5	On target
	Reduction of advanced pathology by improving early detection of chronic and degenerative diseases (% advanced cases seen at AHC).	Less than 40%	Estimate on 45%	This could not be accurately measured. Towards the end of the financial year, a service provider specializing in billing made available its database derived from FSDOH Meditech system that will enable us to quantify the burden of disease in the Free State based on ICD10 coding and grouping of discharge diagnoses into Diagnostic Related Groups.
	Number of ESMOE-like training sessions offered in collaboration with institutions of higher education to support basic skills of MOs and other professional categories.	4 ESMOE training sessions	3	3 sessions were offered during 2010/11. Difficulties were experienced with the availability of trainers. A full time consultant team has now been appointed to address this kind of in-service training to all districts and hospitals.
Implement Telemedicine between UAH and regional hospitals.	Number of telemedicine encounters between UAH and regional hospitals.	At least 1 monthly Telemedicine encounter between all regional hospitals and UAH; Teleradiology between MMM, Bongani, KHC and UAH	Teleradiology: MMM-Pelononi 203; Bongani-UAH: 289	Telemedicine was not implemented during this financial year due to difficulties to get the donated MRC clinical stations to be functional and delays with tender processes to procure telemedicine equipment.
	Number of active teleradiology links between UAH and regional hospitals.	3 active teleradiology links between UAH and Regional Hospitals	3 active links	On target

Reasons for major variances:

- Central Hospital Services has a vacancy rate of 14.19% for funded posts on PERSAL. This, however, excludes the unfunded posts on the approved staff establishment. If these posts are taken into consideration as well, the vacancy rate will be closer to 30%. This caused serious service delivery issues for UAH as the non-availability of critical staff impacts directly on the quantity and quality of the service offering possible at UAH.
- Tertiary service backlogs increased for all departments. Departments that never had any waiting lists, such as Cardiology and Oncology, now have waiting lists of 3 months and two months respectively.
- Lack of facilities (beds, theatre lists, ICU beds and equipment), higher burdens of disease due to HIV/AIDS and TB and patients that were received much sicker and with more advanced pathologies due to late identification and referral from peripheral health services or the poor availability of medicines at peripheral facilities with resulting non-treatment and complications.

PROGRAMME 6: HEALTH SCIENCES AND TRAINING

Purpose: The Programme is primarily responsible to provide training as well as promoting research and development of health systems.

Strategic Objectives:

- Increase the supply of nurses.
- Train different categories of employees.
- Promote employability and sustainable livelihood through skills development.

TABLE 2.6: PERFORMANCE AGAINST TARGETS FROM 2010/11 ANNUAL PERFORMANCE PLAN FOR THE HEALTH SCIENCES AND TRAINING PROGRAMME

SUB PROGRAMME: NURSE TRAINING COLLEGES				
STRATEGIC GOAL 5: Improved Human Resources (and Development) Management				
GOAL STATEMENT: Improve Skills of Personnel				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Increase the supply of nurses.	Number of training schools re-opened.	1 Hospital Nursing school re-opened	Awaiting accreditation results	School not fully functional as the accreditation report needs to be released by the Nursing Council.
	Intake number of nurses trained in different categories.	500	585	Increase in demand for nursing training relating to the different categories.

SUB PROGRAMME: TRAINING (OTHER)
STRATEGIC GOAL 5: Improved Human Resources (and Development) Management
GOAL STATEMENT: Improve Skills of Personnel

Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Train different categories of employees	Number of managers and senior managers trained in various management programs	350	85	No training took place during the first quarter as HR Connect project was in process. Training during the second quarter was cancelled due to the National strike and non availability of accredited service providers from Departmental Database.
	Number of personnel trained on HIV and AIDS management.	1800	2251	Unexpected increase is due to the fact that the partners also supported the unit with training on HIV and AIDS Management.
	Number of learners trained in ABET (target per annum not cumulative).	300	316	On target
	18.1 learnerships implemented based on SETA funding.	50	45	The qualification was put on hold until transition processes was completed (between Dept of Labour and Dept Higher Education)
	Number of personnel undergone in-service training programmes (CPD).	3300	2503	No training took place during the first quarter as HR Connect project was in process. Training during the second quarter was cancelled due to the National strike and non availability of accredited service providers for Clinical related courses.
	Number of trained Emergency Care Practitioners and related programs.	45	239	Increased demand for trained personnel by EMS operations which led to more personnel being trained by refresher courses.
Promote employability and sustainable livelihood through skills development.	Number of 18.2 learnerships.	300	483	250 National Youth Service (NYS) learners started their child and youth learnership programme in September (third quarter) which was not part of our planning (unfunded mandate).
	Number of non health care professionals trained (CHCW).	100	50	No intake was possible in the third and fourth quarters due to unforeseen difficulties regarding obtaining approval for the intake of 50 AHC learners.

Reasons for major variances:

- Unexpected increase due to increased demand to train EMS personnel and involvement of EMS District Managers.
- The implementation of new HIV/Aids guidelines has compelled training of more personnel with the assistance by partners (NGO's).
- Unavailability of accredited service providers which led to delays in Supply Chain Management processes

PROGRAMME 7: HEALTH CARE SUPPORT SERVICES

Purpose: The aim of the Programme is to render support services required by the Department to fulfil its aims.

Strategic Objectives:

- Provide appropriate and accessible Orthotic and Prosthetic Services to the Free State community.
- Improve management of laundry services.

TABLE 2.7: PERFORMANCE AGAINST TARGETS FROM 2010/11 ANNUAL PERFORMANCE PLAN FOR THE HEALTH CARE SUPPORT SERVICES PROGRAMME

SUB PROGRAMME: ORTHOTIC AND PROSTHETIC SERVICES				
STRATEGIC GOAL 2: Improve the Quality of Health Services				
GOAL STATEMENT: Improve Accessibility to Prosthetic and Orthotic Services				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Provide appropriate and accessible Orthotic and Prosthetic Services to the Free State community.	Number of Medical Orthotic and Prosthetic Outreach programs increased.	1 Medical Orthotic and Prosthetic outreach program.	1 Medical Orthotic and Prosthetic outreach service implemented in Bothaville	On target
	Number of users Services per year.	An additional 50 patients per year to attend to a total of 10100	10 036 users served per year	Due to the shortage of Professionals in the Orthotic and Prosthetic field. Currently head hunting to fill vacant posts.

SUB PROGRAMME: LAUNDRIES				
STRATEGIC GOAL 4: Revitalisation of Physical Infrastructure				
GOAL STATEMENT: Improve Management of Laundry Services				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Improve management of laundry services	Number and type of laundry equipment replaced	2 industrial dryers 1 roller iron	2 Industrial dryers and 1 roller ironer were bought	On target
	% of linen replaced	40% of linen replaced	35 % Linen replaced	Condemned linen contributed to less percentage, funding for replacement line was a challenge.

Reasons for major variances:

- Shortage of Professionals in the Orthotic and Prosthetic field.
- Funding for the replacement of linen not sufficient to achieve the 40% linen replacement target.

PROGRAMME 8: HEALTH FACILITIES MANAGEMENT

Purpose: The Health Facility Management (infrastructure management) programme is mainly responsible for:

- Planning of infrastructure projects;
- Monitoring and support the project implementation;
- Assisting health institutions with technical advice and support for physical infrastructure needs;
- Advising the executive management on infrastructure priorities annually.
- Facility maintenance

Strategic Objectives:

- Improve maintenance and upgrading of health facilities.
- Develop and Implement Infrastructure Master Plan.

TABLE 2.8: PERFORMANCE AGAINST TARGETS FROM 2010/11 ANNUAL PERFORMANCE PLAN FOR THE HEALTH FACILITIES MANAGEMENT PROGRAMME

SUB PROGRAMME: INFRASTRUCTURE MANAGEMENT				
STRATEGIC GOAL 4: Revitalisation of Physical Infrastructure				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Improve maintenance and upgrading of health facilities	Number of Health Facilities maintained (minor and major maintenance)	9	6	Not achieving the target due to budget and human resource constraints.
Develop and Implement Infrastructure Master Plan (targets are cumulative but some overlap in terms of time frame)	Infrastructure Master Plan	Approved Infrastructure Master Plan	The Master Plan still in draft form	The Master Plan on hold due to human resource constraints.
	Number of completed project phases of Hospital Revitalisation Projects	3	2 phases completed	One project behind schedule due to slow performance of the contractor.
	Number of new and upgraded clinics	1	1	On target
	Number of other health institutions and support facilities completed.	1 Satellite laundry, MDR unit, 1 accommodation facility	Kopano MDR unit	Delays in finalizing planning for Satellite laundry

Reasons for major variances:

- Slow contractor performance had an influence on the successful completion of one revitalization project.
- The satellite laundry could not be completed due to human resource constraints.

PERFORMANCE ON HOSPITAL REVITALISATION GRANT

The Hospital Revitalisation Grant did not perform as was planned, this was due to the under performance of contractors on site, the failure to appoint contractors for projects where planning was completed, under staffing of Grant Management Unit, unapproved acquisition plans for the procurement of medical equipment and the confirmation of the site for the Mangaung District Hospital.

TABLE 2.8.1: PERFORMANCE INDICATORS FOR HEALTH FACILITIES MANAGEMENT

Indicator	Type	2007/08	2008/09	2009/10	2010/11	National Target
Input						
Equitable share capital programme as percentage of total health expenditure ²	%	R 221.9 million	No data	R459 Million	R378 million	2.5%
Hospitals funded on revitalization programme	Nr	3	5	5	7	25%
Expenditure on facility maintenance as percentage of total health expenditure ²	%	R 15.9 million	No data	R 3, 266 Million	R17 431 million	4%
– Expenditure on equipment maintenance as percentage of total health expenditure ²	%	R10.2 million	No data	No data	No data	4%
Process						
– Hospitals with up-to-date asset register	%	No data	No data	No data	No data	100%
Districts with up-to-date PHC asset register (excluding hospitals)	Y/N	No data	No data	No data	No data	100%
Quality						
PHC facilities with access to basic infrastructural services:						
Piped water	%	100	97.3	97.3	n/a	100%
Mains electricity	%	100	100	100	100	100%
Fixed line telephone	%	100	100	100	100	100%
Efficiency						
Projects completed on time	%	1 EMS control centre	Psychiatric wards at Boitumelo Regional Hospital	Boitumelo Contract 4 Maternity Ward	None	n/a
Project over budget	%	-	99	9.52% of all projects in 2009/10*	Tokollo Hospital 10% Diamant Hospital 12%	-
Outcome						
Level 1 beds per 1000 uninsured population ²	Value	0.06	0.06		No data	0.9
Level 2 beds per 1000 uninsured population ²	Value	0.08	0.08		No data	0.9

Source: Infrastructure Management Chief Directorate

* Formula $\frac{\text{Number of Hospitals with overdrawn budget}}{\text{Number of projects}} \times 100\%$
 $= \frac{2 \text{ projects}}{21 \text{ projects}} \times 100\% = 9.5$

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Annual Financial Statements

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Report of the Audit Committee

We are pleased to present our report for the financial year ended 31 March 2011.

Audit Committee Members and Attendance:

The audit committee consists of the members listed hereunder and should meet 4 times per annum as per its approved terms of reference. During the current year 4 meetings were held.

Name of Member	Number of Meetings Attended
Mr M Ncube (Chairperson)	4
Dr MA Motloug	3
Mrs N Madikizela-Nyathi	2
Mr VGMagan (appointed 18/01/2011)	-
Mr E Mohlahlo (appointed 18/01/2011)	-

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 38(1)(a) of the PFMA and Treasury Regulation 3.1

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

The effectiveness of internal control

In line with the PFMA and the King III Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the Internal Auditors, the Audit Report on the Annual Financial Statements and the management report of the Auditor-General, it was noted that matters were reported indicating material deficiencies in the system of internal control or any deviations there from.

Accordingly, we can report that the system of internal control was not entirely effective for the year under review. During the year under review, several deficiencies in the system of internal control and/or deviations were reported by the internal auditors and the Auditor-General. In certain instances, the matters reported previously have not been fully and satisfactorily addressed.

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

Other than the matters noted in the Auditor General's report, the Audit Committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the Accounting Officer of the Department during the year under review. Matters identified:

Evaluation of Financial Statements

The Audit Committee has:

- Reviewed and discussed the audited annual financial statements to be included in the annual report, with the Auditor-General and the Accounting Officer;
- reviewed the Auditor-General's management report and management's response thereto;
- reviewed changes in accounting policies and practices;
- reviewed the Department's compliance with legal and regulatory provisions; and
- reviewed significant adjustments resulting from the audit.

The Audit Committee concurs and accepts the Auditor-General's conclusions on the annual financial statements, and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.

Internal audit

The Audit Committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the Department in its audit.

Auditor-General South Africa

The Audit Committee has met with the Auditor-General South Africa to ensure that there are no unresolved issues.



Chairperson of the Audit Committee

Date: 05 August 2011

REPORT BY THE ACCOUNTING OFFICER TO THE EXECUTIVE AUTHORITY AND FREE STATE LEGISLATURE OF THE REPUBLIC OF SOUTH AFRICA

1. GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS

General Review

During the 2011 the department under spent on its budget. A number of reasons contributed towards the under-spending on the department's budget, including continuing with the stringency measures that were implemented in the previous financial year.

The total appropriation for the department was R6, 307,313 billion and the under spend was R288,134 million which constitutes 4.6% of the appropriation. The major part of the under spend was on health facilities management, which was largely on infrastructure and capital equipment this programme in total under spend by 31.1% of its budget allocation. All other programmes under spent mainly on the goods and services. There were savings made on compensation which is due to the non filing of posts.

Revenue

Department received R23 million from RAF due to Bulk settlement agreement, R 17 million from Lesotho(QII) and Other Patients. The department also generated R11 million from its PPP agreement. The department received R 36 million from the University of Free State emanating from its joint staff establishment agreement. Sales of capital Assets: R 6 million was generated due to auctions during the year. Financial year closure journals from loss control section impacted on revenue collection.

Occupational Specific Dispensation

The overpayment of Occupational Specific Dispensation of Nurses (OSD's) arose due to conflicting messages on the implementation of OSD received from the National Department of Health and the DPSA. This resulted in all the provinces experiencing major implementation problems that lead to overpayments on the OSD's.

A court order has been issued, the results are that no over payments should be reclaimed. There is currently a contingent asset arising from the court order to the value of R 8,377 million

2. SERVICES RENDERED BY THE DEPARTMENT

2.1 Services rendered

The department faced several challenges during the past year yet it has continued to achieve its statutory obligations despite serious resource constraints.

2.2 Tariff policy

In terms of Treasury Regulations 7.3.1, annual revision is required on user tariffs in respect of services rendered by the Free State Department of Health.

Patients are classified into two categories, namely full paying patients and subsidized patients. Patients are categorized according to income in category H0, H1, H2 and H3.

All Subsidized Patients tariffs maintained as 2010 tariffs

An adjusted UPFS tariffs for externally funded Patients was implemented on the 1st August 2010. The adjustment in the UPFS tariffs resulted in a 6.4% increase

2.3 Free Services

The criteria for free health care services remain unchanged for the following categories:

- Pregnant women and children under the age of 6 years,
- Primary health care,
- Termination of pregnancy,
- Criminal Procedure Act,
- Child Care Act,
- Persons with mental disorders,
- Persons with disabilities,
- Infectious, formidable and/or notifiable diseases, as well as
- Donors and other exempt conditions.

The aforementioned have a statutory basis and only apply for the specific circumstance for which the patient qualified.

2.4 Inventory

Inventory on hand, consists of medicine (R 143 527 730.92) and medical consumables (District Offices R 97 740 381.57) and all other inventory items (R 143 524 853.41). These amounts are the value on hand in the main stores, calculated on a weighted average costing method.

3. CAPACITY CONSTRAINTS

The Department has for the past few years faced with an increased demand for its services on the one hand and insufficient resources to provide these services on the other hand. This is mainly due to increased burden of disease caused mainly by the HIV, TB and AIDS scourge. This results in increased utilisation of our facilities, mainly through increased numbers and the admission of more severe cases.

The department is facing this increased demand for services, with an accompanying substantial personnel shortage. This is mainly due to underproduction and migration of skilled personnel to other provinces, countries and the private sector. This has encouraged us to double our efforts to train, recruit and retain these scarce professionals.

There is also a maintenance and equipment backlog that accumulates over the years that the department is faced with and is attempting to address with its limited resource. Additional funding in this respect is essential to maintain the quality of services and to retain personnel.

4. UTILISATION OF DONOR FUNDS

4.1 Ireland Aid

The Department of Health and the Ireland Aid signed an agreement on 11 March 2005 to provide the Department of Health with financial assistance for support to Primary Health Care Delivery and Capacity building for HIV/AIDS prevention in the Free State.

The first project of R10,226 million from 2001-2006 was completed in March 2006. The Ireland Aid under its Bilateral Aid Programme made a second grant of 760 000 Euros available over a period of two years (2006 and 2007) that commenced in May 2006. No cost extension has been approved, the latest ending on 31st January 2011.

All these funds are channelled through the RDP account at National Treasury and all the interest earned on them will be used solely for the purpose of the programme objectives and activities.

For the financial year under review Budget and Expenditure under the three projects were as follows:

	Progress to date	Budget R'000	Revenue R'000	Expenditure R'000	Variance R'000
Ireland Aid	Support to Primary Health Care Delivery and Capacity Building for HIV & AIDS prevention in the Free State Province	116	-	(104)	12
Total		116	-	(104)	12

4.2 Belgium Government Aid

A Belgium agreement was signed in November 2004 to provide the Department of Health with financial assistance for support to reduce the burden of Tuberculosis and HIV & AIDS prevention in the Free State. The project was not completed in the 2007/08 financial year. No cost extension was requested for this project. Extension was granted until 31 Dec 2009. No funding was received for the 2010/2011 financial years.

4.3 Flemish Government for VCCT

The inception date for implementation of the Flemish Government Donor support to the Free State Department of Health was set to start in September 2003, however the project never commenced and only started in 2005 when the Project Manager was appointed. The inception date then became the 1st June 2005 with the closing date of 31st May 2007. Due to the fact the first tranche was only released in December 2005, second tranche was only released on the 30th April 2007 and the Project Manager was not available for 5 months in the 2006/07 financial year a delay was caused in the implementation of the objectives. All of this had a major impact to the progress of the project. Extension was granted for the project until 30 June 2008. At the end of the project there was an amount R333 000 which was unspent and has since been surrendered to the Provincial Treasury.

4.4 EU PDPHCP Donor Fund

The inception date for implementation of the European Union Partnership for Delivery of Primary Health Care Programme Donor support to the Free State Department of Health was 01st July 2007. The purpose of the programme is to strengthen partnerships of Non-Governmental Organisations with the Department of Health, in extension of primary health care to poor communities. The programme has been implemented successfully in all five districts with staff establishment of twenty officials, presently sixteen. The NGOs were linked with the nearest clinics for support and referrals. The Department of Health funded 48 NGOs over a three year period. The anticipated completion date is 31 December 2011.

EU PDPHCP DONOR FUND	Objectives	Budget R'000	Revenue R'000	Expenditure R'000	Variance R'000
	Developing and strengthening of the co-operation between Non-Government Organisations and the Department of Health.	23,986	-	(8,773)	15,213
Total		23,986	-	(8,773)	15,213

4.5 GLOBAL AIDS, TB & MALARIA donor fund

The GLOBAL AIDS, TB & MALARIA project started in January 2006. The phase one of the project was completed 31 December 2007 and no cost extension was requested for phase two which is ending on 31 December 2010. Global Fund strengthens Provincial and District capacity building for prevention, treatment and care.

GLOBAL AIDS, TB & MALARIA DONOR FUND	Objectives	Budget R'000	Revenue R'000	Expenditure R'000	Variance R'000
	Developing and strengthening the TB and HIV & AIDS data monitoring system at district level in the Free State Province. Paving at Dr J.S.Moroka hospital as part of phase one. Appointment of Monitoring officers form part of phase two , payment of salaries and purchase of office equipment.	137	-	(114)	23
	Capacity building at provincial and district level.				
	2006-2007=473 Health care workers trained.				
	2008=291 Health care workers trained.				
	2009 = 32 Health care workers trained.				
	Physiotherapy Occupational therapy equipment for Dr. J.S.Moroka MDR unit.				
Total		137	-	(114)	23

5. TRADING ENTITIES: CENTRAL MEDICAL TRADING ACCOUNT

The aim of the Central Medical Trading Account is to provide is to provide medicines and medical consumables according to the needs of the provincial institutions.

The capital of the Medical Trading Account is augmented through the voted budget of the Free State Department of Health when the need arises.

The Annual Financial Statements of the Central Trading Account are prepared in accordance with the South African Statements of Generally Accepted Accounting Practice (GAAP) and thus, complies with it. The financial statements are prepared according to historical cost convention.

The net profit of R26, 936 million for 2010/11, compares to the net profit of R4, 448 million for 2009/10. The additional revenue grew by 6% due to improved cooperation between the Central Medical Trading Account, its suppliers and provincial institutions.

Losses to the amount of R2, 4 (2009/2010: R0, 9) million were incurred as a result of shortages, breakage and expiry of pharmaceuticals and consumables stock. A significant portion of the shortage amounting to R1, 4 resulted from the cross issue of stock between different types of vaccines during the last month of the financial year. The remaining stock losses are mainly due to the lack of appropriate inventory computer system that maintains expiry dates and batch controls to identify slow-moving stock items;

The standard norm of shortages, breakage and expiry of pharmaceuticals and consumables stock which is acceptable within the pharmaceuticals industry is 0,5% of the annual turnover. The percentage rate of the Central Medical Trading Account is 0,6% (2009/2010: 0,3%) of the annual turnover, which is above acceptable norm. As indicated, the additional 0.3% resulted from cross issue of stock between different types of vaccines during the last month of the financial year.

6. ORGANISATIONS TO WHOM TRANSFER PAYMENTS HAVE BEEN MADE

Transfer payments are made mainly to non-profit institutions rendering of primary health care services (refer to **note 7** and **Annexure 1 A-E** for more details).

Service level agreements were signed with all the non-profit institutions and accountability arrangements of each entity, were evaluated in January 2004.

7. PUBLIC PRIVATE PARTNERSHIPS

The department has entered into a Public Private Partnership agreement with Community Health Management (CHM) on 25 November 2002 in order to develop private health facilities at Universitas and Pelonomi hospitals. This implied that a public health facility is used by the private sector in exchange for financial- and other benefits.

There management of the department of health has experienced several difficulties with the management of the PPP contract between Universitas, Pelonomi and CHM. These difficulties stem largely from the contents of the contract itself, where there are areas that do not make sense from a managerial point of view. These areas include the following:

- The manner in which revenue from the PPP project would be distributed between Pelonomi and Universitas
- The budgeting of additional expenses required from each hospital as a result of the PPP contract
- The financial model of the PPP contract, particularly as it refers to the Radiology Fees and how these should be funded between all the parties and how the revenue should be distributed

These issues have also been raised in the current and previous financial audits by the Auditor General, and need therefore to be addressed as soon as possible.

Two groups of consultants were appointed in September 2009 to carry out this review with the support of both treasuries and the Free State department of Health. One group of consultants is tasked with the review of the legal aspects of the contract and the other one reviews the financial aspects of the contract. At this stage, all the stakeholders have been consulted and the review has been completed and recommendations have been made to the Executive Council of the Free State government before the end of November 2010. The same group of consultants have now been appointed to act as transaction advisors to negotiate certain clauses of the agreement and to set up a project management office.

With the conclusion of the review, transactions and operational meetings between CHM and Free State department of Health have been resuscitated. (refer to **note 30** for details).

8. CORPORATE GOVERNANCE ARRANGEMENTS

The Financial Management and Supply Chain Management delegations and directives as well as the Internal Control Checklist are reviewed and adjusted annually.

Human Resource delegations have been reviewed and the implementation gave wide delegations to CEO's to enable them to manage the appointment of health professionals more effectively.

The Department has recently completed both its strategic and operational risk registers and has gone through a process of reviewing its Risk Assessment Plan and Top Management proceeds with their commitment to combat corruption and to ensure sound and transparent management.

9. DISCONTINUED ACTIVITIES/ ACTIVITIES TO BE DISCONTINUED

No activities have been discontinued, while certain services were hampered by the Department being under administration.

10. NEW / PROPOSED ACTIVITIES

No new/proposed activities planned for the 2011/12 financial year.

11. ASSET MANAGEMENT

Progress with regard to capturing assets in the register:

All assets of the FSDOH are purchased through the Asset Module on the LOGIS system which is the only approved system. All additions appear on the asset module on LOGIS. An external service provider was appointed in December 2010 to assist with the updating the departments asset register and to ensure that this complies with Treasury Regulations.

Establishment of asset management units ad teams.

The local heads of Supply Change Management are appointed in writing at all institutions and offices and take responsibility of asset management in their relevant units.

Indication of extent of compliance with the minimum requirements and asset management reforms.

The minimum requirements of the Asset register are met. The Logis Asset Register makes provision of the following:

- Acquisition
- Identification
- Accountability
- Performance
- Disposal
- Accounting

12. EVENTS AFTER THE REPORTING DATE

There are no events post the balance sheet date.

13. PERFORMANCE INFORMATION

The activities of the department are informed and directed by the strategic planning process of the department.

The goals, objectives and indicators form the basis for quarterly assessment of performance. Regarding the financial management of institutions, the department is assisted by managerial accountants who are members of the accountants' forum which meets monthly. Through this input financial and performance information are linked and progress evaluated.

- Strategic direction is derived from:
- Government Programme of Action.
- State of the Nation Address of the President.

- State of the Province Address of the Premier.
- 2014 Vision.
- Millennium Development Goals.
- Free State Provincial Growth and Development Strategy.
- Annual National Health Plan 2008/2009 National Health System Priorities (NHS) for 2008/2009.
- Integrated Development Plans of local government must be aligned with District Health plans.
- The department used the national Integrated Health Planning Framework to develop a long term Service Transformation Plan which will define the service platform for a ten year period that started in the 2008/09 financial year.

The management structure of the department has been restructured to make provision for the establishment of a business intelligence unit. The management and use of information has been strengthened by the National Health Information project which was extended to allow further capacitation of management as well as the information management component.

The department anticipates improved efficiency of the service platform and improved information management as a result of these developments.

14. **PROPAC RESOLUTIONS**

PROPAC RESOLUTION	SUBJECT	PROGRESS ON FINDINGS AS AT 31 MARCH 2011
19/2008	Par.2 Capital Assets	<p>The Free State Department of Health had visited the Western Cape Department of Health on the 30th November 2010.</p> <p>The Department has also appointed a Service Provider to rectify the Asset Register.</p> <p>The Company has commenced with the Project on the 15th February 2011. By the 4th of March 2011 the following progress has been completed:</p> <p>Motheo District Office MUCPP FSSON Mantsopa Hospital</p> <p>With other Institutions the following progress</p> <p>FSPC 50% Botshabelo Hospital 95% Dr. JS Moroka Hospital 95% FSPC Laundry 90%</p>

PROPAC RESOLUTION	SUBJECT	PROGRESS ON FINDINGS AS AT 31 MARCH 2011
19/2008	Paragraph 3. Inventory	<p>A communication has been issued to all Risk management sub-committees indicating that it is essential to identify all risks relating to inventory, these risks should be appropriately assessed and that control weaknesses should be improved to prevent material losses.</p> <p>The due date for risk sub-committees to begin reporting on their high risk areas was 31 August 2010 and it will be monitored whether this has been done.</p> <p>Capacity constraints in the Risk Management Unit of the Department have still hampered its effectiveness.</p> <p>Risk assessments on operational risks conducted by the Risk Management Unit started on 27 July 2010 and was completed mid December 2010.</p> <p>Risk Management Unit had to ensure that all inventory risks have been included in each medical institution's risk register and that these risks have been assessed in terms of inherent and residual risk.</p> <p>Risk Assessments on Operational Risks started on 27 July 2010 and had continued beyond the planned end date of mid December due to the labour strike action. All Institutions where risk assessments were done assessed their risks with regard to inventory. The risk categories of the Department's risk strategy have been adjusted specifically to include an Inventory sub-category.</p> <p>The Department's Risk Register for 2011/12 will therefore specifically reflect inventory risks under a separate heading. In the 2010/11 risks register inventory risks were included under the heading Physical Assets. The risk sub committees will then have to report on their risk mitigating activities with regard to inventory risks. The Department has appointed a Chief Risk Officer as from 1 August 2010 and a Risk Practitioner as from 1 January 2011.</p> <p>The due date for the risk sub-committees to start reporting on their operational risks has been pushed forward from 31 August 2010 to 31 May 2011. The decision to delay the reporting on operational risk mitigating activities was taken by the Department Risk Management Committee. The risk maturity levels of the risk sub-committees have required that more training be given to risk sub-committees.</p> <p>In terms of Medical Inventory there is currently no approved system that is appropriate to manage it. The Department has requested approval from Treasury to use RX Solutions a donated system that functions better than the other system, however only District Hospitals are utilizing the system. (RX Solutions).</p>

PROPAC RESOLUTION	SUBJECT	PROGRESS ON FINDINGS AS AT 31 MARCH 2011
2/2010	Paragraph.2 Accounting Officers must investigate all unauthorized, irregular, fruitless and wasteful expenditure to determine responsibility. In cases of negligence moneys must be recovered.	<p>Unauthorized Expenditure Unauthorized expenditure to the amount of R338 153 million occurred as a result of budget shortfalls over years and consists of overspending in certain programmes in the Department.</p> <p>No official were charged as the unauthorized expenditure was a result of budget shortfalls.</p> <p>Unauthorized Expenditure The Department had submitted copies of their monthly reports on Unauthorized Expenditure with regard to the Compliance Certificate, as well as a copy of the Monitoring Report where the Departments reports on monthly basis on the above-mentioned to Provincial Treasury.</p> <p>IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE The Department held workshops in all five Districts and all matters relating to Irregular expenditures discussed. An action plan was developed to deal with 13 cases of fruitless expenditure.</p> <p>Irregular Infrastructure cases 2008/2009 financial year. 8 Total amount :R 82 353 738.78 4 x Less condoned : R 7 931 433.90 Total current cases : R 74 422 304.8</p> <p>Health Supply Chain Notices No. 3 and No. 12 on how to handle fruitless and Irregular expenditures has been issued.</p> <p>Total number of Irregular cases according to register from 2005/ 2006 financial year. 121</p> <p>Total amount : R 246 520 109.37 26 x Less condoned: R 333 55 308.70 95 x Total current cases : R 213 164 800.67</p> <p>Letters requesting progress report on all cases has been issued and send to institutions. Action plan for dealing with these cases has been developed.</p> <p>Fruitless Expenditure Total number of cases from 2008/2009 financial year. 32 Total amount R 26 331 905.65 12 x Written off : R 22 628 699.85 20 x total current cases: R 3 703 205.80</p>

PROPAC RESOLUTION	SUBJECT	PROGRESS ON FINDINGS AS AT 31 MARCH 2011
2/2010	<p>Par.5 Accounting Officers must ensure that the financial section of the department is sufficiently capacitated by skilled officials to ensure financial functions are properly executed.</p>	<p>The Financial Management Chief Directorate within the Department at Corporate Office had 126 funded posts, which are as follow:</p> <ul style="list-style-type: none"> • 109 posts are filled • 17 posts are vacant (out of this 4 posts has been advertised and has been filled by 01 August 2010. The Department planned to fill the remaining 13 by the end 28 February 2011.) <p>With regard to the Hospitals and District Offices no posts filled at Supply Chain Management and Financial Management in this new financial year.</p> <p>The Clinical Cluster is currently in process to reprioritize funds to enable the appointment of this category of posts. The committee will be kept informed about the process.</p> <p>The Department will ensure that all critical vacant posts at all institutions are funded in order to be filled.</p> <p>PROGRESS REPORT AS AT 28 FEBRUARY 2011</p> <p>FINANCIAL MANAGEMENT DIRECTORATE</p> <p>The Financial Management Chief Directorate within the department at Corporate Office had 124 funded posts, which are as follow:</p> <ul style="list-style-type: none"> • 104 posts are filled • 18 posts are vacant <p>(All these posts will be filled before 31 May 2011, except two unfunded vacant posts.)</p> <p>ASSET MANAGEMENT DIRECTORATE as at 28 February 2011</p> <p>In Asset Management Directorate we have total of 62 staff complement. 45 are filled and 17 are vacant</p> <p>PROCUREMENT AND PERFORMANCE MANAGEMENT (SUPPLY CHAIN CHIEF DIRECTORATE) as at 28 February 2011</p> <ul style="list-style-type: none"> • In the Procurement and Performance Management Directorate (Corporate Office) there is 57 funded posts, which are as follow: • 38 posts are filled • 19 posts are vacant

PROPAC RESOLUTION	SUBJECT	PROGRESS ON FINDINGS AS AT 31 MARCH 2011
2/2010	Par.6 Accounting Officers must ensure that Internal Audit units must be established and capacitated by skilled staff to ensure that risk management processes receive the appropriate attention and internal controls are properly addressed.	<p>The Senior Manager's post was filled on 1 October 2010 with Mr. PJG Smith. The Manager's post was filled on 1 January 2011.</p> <p>Three Senior auditor positions were filled on 1 January 2011 by Mr. L Lebele (internal promotion), Mr. T Montoeli (internal promotion) and Mr. R Musi (new appointment). One of the vacancies left by the internal promotions was filled by Me. SS Danster. The other position is still vacant, but has been advertised. An Assistant Manager post will be advertised and filled by 30 June 2011.</p>
2/2010	Par.8 Accounting Officers must implement control measures to ensure that all employees declare their own interest, spouses "and other close relatives" interest in companies or corporations tendering, quotating or doing business with departments. This declaration must be updated annually.	<p>The Department implemented the Declaration register for all the employees.</p> <p>All Senior Managers submitted their financial disclosure forms which were submitted to Public Service Commission in 2010. The Department will revise the register to include relevant information on business involvement.</p>

Approval

The annual financial statement set out on pages 27 to 155 have been approved by the Accounting Officer.



DR S KABANE
ACCOUNTING OFFICER: HEALTH

Date: 31 July 2011

REPORT OF THE AUDITOR-GENERAL TO THE FREE STATE LEGISLATURE ON VOTE NO. 5: DEPARTMENT OF HEALTH REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Department of Health which comprise the appropriation statement, the statement of financial position as at 31 March 2011, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information as set out on pages 86 to 169

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation of the financial statements in accordance with the Departmental Financial Reporting Framework prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2010 (Act No. 1 of 2010) (DoRA), and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and section 40(2) of the PFMA, my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with International Standards on Auditing and General Notice 1111 of 2010 issued in Government Gazette 33872 of 15 December 2010. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for the qualified opinion

Capital assets

7. I was unable to perform all the procedures or obtain all the information and explanations that I considered necessary to confirm the existence, completeness, valuation of and the department's rights to capital assets as disclosed in note 32, 33 and 34, and minor assets as disclosed in note 32.4 to the financial statements for the following reasons:
 - Weaknesses exist in the asset management processes of the department that include inadequate marking of assets and referencing thereof to the asset registers that inform the asset disclosures. Consequently, I was unable to trace a significant number of major and minor assets to the supporting records and to confirm its inclusion in the financial statements. Due to a lack of sufficient appropriate audit evidence, I was unable to reliably determine the total affect

- on the understatement of the assets as recorded in the financial statements.
- Lack of regular reconciliations and updating of asset registers that support the financial disclosure has resulted in management not being able to reconcile movable asset registers to the financial disclosures and an unreconciled difference of R53 455 550 exist at year end.
- As a result of inadequate marking of assets and referencing thereof to the asset registers that inform the asset disclosures, I was unable to physically verify the existence of major assets with a total valued of R464 790 834 and minor assets to a value of R154 374 036.
- Management could not provide me with sufficient appropriate audit evidence to confirm the valuation and the department's rights in respect of major asset to the value of R312 937 006 and minor assets to the value of R212 308 959.

The department's records did not permit the performance of reasonable alternative procedures.

Receivables for departmental revenue

8. Departmental internal control processes regarding patient administration and billing and the safeguarding and retention of patient records were not adequately implemented, with the result that I was unable to perform all the procedures that I deemed necessary to confirm the accuracy and completeness of patient fee billings to the value of R441 657 000 (2010: R429 789 000), and the completeness, valuation and the departments rights and obligations in respect of the year-end value of patient fee debtors of R495 113 000 (2010: R365 583 000) as disclosed in note 25 to the financial statements.
9. Furthermore, due to the socio-economic profile of the patient fee debtors, I was unable to obtain adequate confirmation or to verify by alternative means the existence of patient fee debtors of R242 294 316 included in the year-end balance disclosed in note 25 to the financial statements.

Irregular expenditure

10. Due to a lack of adequate control processes relating to the identification, reporting and recording of irregular expenditure the value for current year irregular expenditure as disclosed in note 26 to the financial statements have been understated by R540 795 880 (2010: R183 874 633).

Provision for potential irrecoverable debtors

11. The department does not have sufficient appropriate evidence available to reliably estimate the provision for potential irrecoverable debtors. I was thus unable to confirm or verify by alternative means the completeness, valuation and departments' rights and obligation in terms of the provision amounting to R352 915 000 (2010: R230 263 000) in note 31 to the financial statements.

Fruitless and wasteful expenditure

12. Due to a lack of adequate control processes relating to the identification, reporting and recording of fruitless and wasteful expenditure the current year fruitless and wasteful expenditure as disclosed in note 27 to the financial statements have been understated by R22 618 517.

Commitments

13. I was unable to confirm the existence and valuation of and the department's obligation in respect of commitments for the previous year ended 31 March 2010 amounting to R496 370 000 as disclosed in the comparatives to note 21 to the financial statements. The limitation placed on my audit was because management was unable to provide me with sufficient appropriate audit evidence in support of the disclosed commitments. The department's records did not permit the application of alternative audit procedures regarding commitments.
14. Although I was unable to confirm the existence and valuation of the commitments as at 31 March 2010 and the department's obligation in respect thereof as described in the preceding paragraph, whilst evaluating the accuracy of information used by the department to calculate commitments, I identified calculation errors that resulted in the value of commitments being overstated by R156 188 623. This was due to inadequate control

measures to validate the accuracy of information used in the preparation of the financial statements in the preceding financial year.

Accruals

15. I was unable to confirm the existence and valuation and the department's obligation in respect of accruals of the previous financial year ended 31 March 2010 amounting to R150 966 000 as disclosed in the comparatives to note 22 to the financial statements. The limitation placed on my audit was because management was unable to provide me with sufficient appropriate audit evidence in support of the disclosed accruals. The records of the department did not permit the application of alternative audit procedure regarding accruals.
16. Although I was unable to confirm the existence and valuation of and the department's obligation in respect of accruals as at 31 March 2010 as described in the preceding paragraph, whilst evaluating the completeness of accruals in the prior financial year, I noted that accruals to the value of R119 737 945 had not been identified and accounted for by the department, resulting in the understatement of this disclosure. This was due to inadequate processes followed by management to confirm the completeness of information used in the preparation of the financial statements in the preceding financial year.

Current and capital expenditure

17. For the previous financial year ended 31 March 2010, capital expenditure of R104 360 629 was incorrectly classified as current expenditure. In addition, classification errors of R54 425 360 occurred between the detailed expenditure line items disclosed under goods and services in note 5 to the financial statements. Management was not able to provide me with sufficient appropriate audit evidence to support journal entries to reclassify finance lease expenditure of R28 977 795, R2 171 963 and R15 113 834 allocated to current expenditure: goods and services, current expenditure: interest and rent on land, and expenditure on capital assets respectively. I was thus unable to confirm the accurate classification of goods and services and capital expenditure transactions in the comparative disclosure as contained in the statement of financial performance and in note 5 to the financial statements.

Qualified opinion

18. In my opinion, except for the effects of the matters described in the basis for qualified opinion paragraphs, the financial statements present fairly in all material respects, the financial position of the Department of Health as at 31 March 2011 and its financial performance and cash flows for the year then ended in accordance with the Departmental Financial Reporting Framework prescribed by the National Treasury and the requirements of the PFMA and DORA.

Emphasis of matter

19. I draw attention to the matters below. My opinion is not modified in respect of these matters:

Financial reporting framework

20. As disclosed in note 25.1 to the financial statement, the provincial treasury has granted the department an exemption from the requirement to restate the comparative financial disclosures in order to account for the effect of the transactions that emanated from the financial arrangement with the University of the Free State.

Restatement of corresponding figures

21. As disclosed in the annual financial statement management has materially restated the comparative financial disclosures (2009/2010) in respect of the following items, note 5.5 inventory medical supplies was decreased by an amount of R465 799 000, note 5.5 inventory medicine was increased by an amount of R465 799 000, note 26 irregular expenditure of the previous financial year was increased by an amount of R28 173 000 and the opening balance of irregular expenditure in the previous financial year was increased by an amount of R905 000.

Material underspending of the vote

22. The department has materially underspent its budget by R288 134 000. All main divisions reported underspending but the most prominent has occurred in respect of Programme 2: District health services R62 663 000, Programme 3: Emergency medical services R29 402 000, Programme 7: Health care support services R10 473 000 and Programme 8: Health facilities management R171 184 000. In terms of the economic classification of the expenditure the most significant underspending was in respect of capital expenditure with underspending of R253 598 000, 88% of the total underspending. A major contributing factor to this underspending was the fact that infrastructure contracts were only awarded late in the financial year. As a consequence, the department has not achieved its aims in respect of these programmes as set out in the performance report published with the annual report.

Additional matters

I draw attention to the matters below. My opinion is not modified in respect of these matters:

Financial reporting framework

23. The financial reporting framework prescribed by the National Treasury and applied by the department is a compliance framework. Thus my opinion would have reflected that the financial statements had been properly prepared instead of fairly presented as required by section 20(2)(a) of the PAA, which requires me to express an opinion on the fair presentation of the financial statements of the department.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

25. In accordance with the PAA and in terms of *General notice 1111 of 2010*, issued in *Government Gazette 33872 of 15 December 2010*, I include below my findings on the annual performance report as set out on pages 82 to 83 and material non-compliance with laws and regulations applicable to the department.

Predetermined objectives

Reliability of information

26. The reported performance information was deficient in respect of the following criteria:

Validity: The reported performance did not occur and does not pertain to the entity.

- Accuracy: The amounts, numbers and other data relating to reported actual performance have not been recorded and reported appropriately.
- Completeness: All actual results and events that should have been recorded have not been included in the reported performance information.

27. The following audit findings relate to the above criteria:

- For the selected programmes and objectives the validity, accuracy and completeness of 73% (40/52 selected indicators) of the reported indicators and targets could not be established as sufficient appropriate audit evidence and relevant source documentation could not be provided.
- Sufficient appropriate evidence to support the reasons for major variances between the planned and the actual reported targets could not be obtained. 25% (7/28) of the reasons for major variances could not be verified.
- For the selected programmes and objectives, 29% (4/14) of the reported indicators were not valid, accurate and complete based on the source information or evidence provided.

Compliance with laws and regulations

Strategic planning

28. The accounting officer did not ensure that the department had and maintained an effective, efficient and transparent system of internal control regarding performance management, which described and represented how the department's processes of performance planning, monitoring, measurement, review and reporting were conducted, organised and managed as required by section 38(1)(a)(i) and (b) of the PFMA.

Annual financial statements, performance and annual report

29. The accounting officer submitted financial statements for auditing that did not comply in all material respects with the departmental accounting framework as prescribed by national treasury and supported by full and proper records as required by section 40(1)(a) and (b) of the PFMA. Certain material misstatements identified by the AGSA with regards to the classification of goods and services expenditure, commitments, accruals, lease commitments and immovable assets were corrected subsequent to the submission of statements for audit. Uncorrected material misstatements did however still result in the financial statements receiving a qualified audit opinion in contravention of section 40(3)(a).

Procurement and contract management

30. Goods and services with a transaction value of over R500 000 were not always procured by means of a competitive bidding process and in respect of certain other bids management could not provide us with sufficient appropriate audit evidence that bids goods and services were procured by means of a competitive bidding process as per the requirements of TR 16A6.1, TR 16A6.4 and National Treasury Practice Note 6 and 8 of 2007/08.
31. Employees performed remunerative work outside their employment in the department without written permission from the relevant authority as per the requirements of section 30 of the Public Service Act..

Human resource management and compensation

32. Contrary to requirements of PSR 1/VII/C.1A.2 ,funded vacant posts were not advertised within six months after becoming vacant and were not filled within 12 months after becoming vacant this was mainly due to restructuring of the staff establishment the department is currently undergoing and the moratorium on filling of vacancies.
33. Contrary to requirements of PSR 1/III/F(a) and F(d),the department did not provide any proof that posts into which appointments were placed were funded.
34. Contrary to the requirements of PSR 4/III/B.1.1, not all the senior managers entered into a performance agreements for the current year.
35. Contrary to the requirements of PSR 1/V/F(b).the accounting officer did not ensure that all the leave taken by employees was recorded.
36. Contrary to the requirements of PSR 1/III/B.2(d),the executive authority did not engage in HR planning with a view to meeting the human resource needs. The department did not have an approved HR plan this was mainly due to restructuring of the staff establishment the department is currently undergoing and the moratorium on filling of vacancies.

Expenditure management

37. Payments due to suppliers were not always settled within 30 days from the date of receipt of invoice, as per the requirements of section 38(1)(f) of the PFMA and TR8.2.3
38. Some expenditure was incurred without approval of a delegated official as per the requirements of section 44 of the PFMA and TR 8.2.1 and 8.2.2
39. The accounting officer did not take effective and appropriate steps to prevent and detect irregular and fruitless and wasteful expenditure as per the requirements of section 38(1)(c)(ii) and 38(h)(iii) of the PFMA and TR 9.1.1 and TR9.1.3.

Revenue management

40. Contrary to the prescripts of Treasury Regulation 11.5.1, which states that “Interest must be charged on debts to the State at the interest rate determined by the Minister of Finance in terms of section 80 of the Act.”, also bearing in mind that in terms of Government Notice 1410 of 2002 the department must levy interest on non subsidise private and medical aid patient accounts, I noted that no interest is levied against outstanding patient fee debt of this nature

Asset management

41. The accounting officer did not implement sufficient control systems to ensure the safeguarding and effective and efficient usage of assets as required by Treasury Regulations 10.1.

Service delivery – Health

42. Contrary to the requirements of the DoRA framework for the comprehensive HIV/AIDS and revitalisation conditional grant, the provincial department prepared business plans based on the templates provided by the National Department of Health that did not include certain relevant details as required by DoRA.
43. Contrary to the requirements of the DoRA framework for the revitalisation conditional grant the project implementation plans of the department did not contain certain of the required deliverables.
44. Contrary to the requirements of the National Environment Conservation Act, section 20(5); the disposal of medical waste was not done in a proper manner.
45. Contrary to the requirements of the Medicinal & Substance Related Act, Regulation 22; the department did not deal properly with expired medicine.

Funds to be surrender.

46. The unspent voted funds for the 2010/2011 financial year have not been surrendered to the provincial revenue fund as required by the TR. 15.8.1

INTERNAL CONTROL

47. In accordance with the PAA and in terms of General notice 1111 of 2010, issued in *Government Gazette 33872 of 15 December 2010*, I considered internal control relevant to my audit, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the significant deficiencies that resulted in the basis for qualified opinion, the findings on the annual performance report and the findings on compliance with laws and regulations included in this report.

Leadership

- The department demonstrated improvements in its leadership challenges that we reported on previously due to right tone that had not been set at the top. The processes and procedures that were put in place to address the lack of accountability amongst staff has resulted in an improved audit outcome. However, significant effort is still required to address financial misstatements and performance reporting deficiencies identified in the audit process that was present in the financial statements submitted for audit purposes.
- The department is experiencing challenges in respect of human resources to attract incumbents with appropriate competencies and/or experience at the district level, consequently, the importance of producing quality, reliable financial and performance information is not at the desired level.
- Within the supply chain management processes and divisions within the department, there is a lack of discipline to adhere to all the requirements of the SCM practices and regulations which has resulted in auditors identifying significant irregular expenditure that has not been prevented and detected by the department.

Financial and performance management

- Weaknesses experienced by the department in the record keeping and record management processes has resulted in documents that support the underlying information reported in the financial statements not being appropriately safeguarded and easily accessible which resulted in extension of agreed upon time frames on submission of requested information.
- The department again experienced significant challenges to manage and extract relevant financial information and information on performance against predetermined objectives from the current information systems. The department makes use of a number of computerised and manual systems and found it very difficult to reconcile and combine information from these systems to produce reliable and verifiable information for financial reporting and reporting on performance. The current systems utilised to produce and report on the department's achievements against predetermined performance objectives do not produce a reliable audit trail that can be utilised to verify the reported information.

Governance

- The departments' governance structures have been established and efforts have been made to enhance the resources within these divisions although with minimal impact in the financial year under review due to these structures which were not fully capacitated throughout the year.
- The position of the Chief Audit Executive (CAE) has been filled during the year under review which enhanced the operations of the unit in providing adequate strategic direction and the necessary guidance. However, the unit still had vacancies in critical positions which limit the work they are able to perform and its impact in contributing to an improved control environment of the department.
- Interventions by the audit committee to improve the adequacy and effectiveness of the systems of internal and financial control, accounting practices and auditing processes in the department has not been fully effective in the financial year under review as is evident from the issues reported.

OTHER REPORTS

Investigations

48. The department has undertaken an investigation into alleged irregularities in the infrastructure management division. The investigation has been completed and management is currently in the process of implementing recommendations.

Performance audits

49. During the 2010/11 financial year a performance audit was conducted on the use of consultants, contractors and agency/outsourced services at the department. The audit has been completed and a management report was compiled and issued to the department. Comments on the issues highlighted in the report have not yet been provided to the auditors and thus the report has not been finalised

AUDITOR-GENERAL

Bloemfontein

31 July 2011



AUDITOR - G E N E R A L
S O U T H A F R I C A

Auditing to build public confidence

Free State Department of Health
Vote 5
APPROPRIATION STATEMENT
for the year ended 31 March 2011

Appropriation per programme									
2010/11							2009/10		
Appropriation Statement	Adjusted Appropriation	Shift- ing of Funds	Vire- ment	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration	245,464	-	(19,000)	226,464	215,546	10,918		205,679	194,212
Current payment	239,676	(15,905)	(19,000)	204,771	194,353	10,418	94.9%	174,930	163,605
Transfers and subsidies	1,327	1,747	-	3,074	2,575	499	83.8%	2,972	2,831
Payment for capital assets	4,461	5,647	-	10,108	10,108	-	100.0%	6,198	6,197
Payment for financial assets	-	8,511	-	8,511	8,510	1	100.0%	21,579	21,579
2. District Health Services	2,410,425	-	21,031	2,431,456	2,368,793	62,663		2,099,270	2,030,397
Current payment	2,310,340	(21,736)	21,031	2,309,635	2,285,310	24,325	98.9%	2,005,314	1,952,729
Transfers and subsidies	64,541	(6,553)	-	57,988	53,844	4,144	92.9%	58,625	53,728
Payment for capital assets	35,544	25,010	-	60,554	26,361	34,193	43.5%	35,331	23,940
Payment for financial assets	-	3,279	-	3,279	3,278	1	100.0%	-	-
3. Emergency Medical Services	350,484	-	10,622	361,106	331,704	29,402		274,415	264,972
Current payment	298,655	(1,396)	6,107	303,366	303,366	-	100.0%	241,910	232,468
Transfers and subsidies	25	6	-	31	31	-	100.0%	78	77
Payment for capital assets	51,804	185	-	51,989	22,587	29,402	43.4%	32,427	32,427
Payment for financial assets	-	1,205	4,515	5,720	5,720	-	100.0%	-	-
4. Provincial Hospital Management	1,537,095	-	(41,765)	1,495,330	1,485,347	9,983		1,379,402	1,331,718
Current payment	1,506,021	(1,580)	(41,765)	1,462,676	1,458,145	4,531	99.7%	1,356,087	1,313,126
Transfers and subsidies	5,251	74	-	5,325	5,113	212	96.0%	5,506	5,290
Payment for capital assets	25,823	-	-	25,823	20,583	5,240	79.7%	17,809	13,302

Free State Department of Health
Vote 5
APPROPRIATION STATEMENT
for the year ended 31 March 2011

2010/11										2009/10	
Appropriation Statement	Adjusted Appropriation	Shift- ing of Funds	Vire- ment	Final Appropri- ation	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		
Payment for financial assets	-	1,506	-	1,506	1,506	-	100.0%	-	-		
5. Central Hospital Ser- vices	1,050,375	-	26,192	1,076,567	1,075,995	572		982,848	963,367		
Current payment	1,000,437	(26,392)	26,192	1,000,237	999,665	572	99.9%	935,344	932,768		
Transfers and subsidies	2,950	983	-	3,933	3,933	-	100.0%	654	653		
Payment for capital assets	46,988	25,253	-	72,241	72,241	-	100.0%	46,850	29,946		
Payment for financial assets	-	156	-	156	156	-	100.0%	-	-		
6. Health Science and Training	142,676	-	(3,000)	139,676	137,718	1,958		127,057	115,859		
Current payment	114,348	(1,737)	(3,000)	109,611	109,081	530	99.5%	95,571	86,628		
Transfers and subsidies	18,769	1,543	-	20,312	20,312	-	100.0%	25,245	25,239		
Payment for capital assets	9,559	-	-	9,559	8,131	1,428	85.1%	6,241	3,992		
Payment for financial assets	-	194	-	194	194	-	100.0%	-	-		
7. Health Care Support Services	94,229	-	(7,080)	87,149	76,676	10,473		79,974	70,893		
Current payment	90,418	(128)	(7,080)	83,210	74,069	9,141	89.0%	74,923	66,062		
Transfers and subsidies	2,150	108	-	2,258	2,258	-	100.0%	2,441	2,439		
Payment for capital assets	1,661	-	-	1,661	329	1,332	19.8%	2,610	2,392		
Payment for financial assets	-	20	-	20	20	-	100.0%	-	-		
8. Health Facilities Man- agement	508,426	-	13,000	521,426	350,242	171,184		392,597	261,757		
Current payment	54,566	-	13,000	67,566	73,386	(5,820)	108.6%	59,393	38,572		

Free State Department of Health
Vote 5
APPROPRIATION STATEMENT
for the year ended 31 March 2011

2010/11								2009/10	
	Adjusted Appropriation	Shift- ing of Funds	Vire- ment	Final Appropria- tion	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
Transfers and subsidies	-	-	-	-	5,000	(5,000)	(100%)	-	-
Payment for capital assets	453,860	-	-	453,860	271,856	182,004	59.9%	333,204	223,185
Payment for financial assets	-	-	-	-	-	-	-	-	-
9. Internal Charges	(31,861)	-	-	(31,861)	(22,842)	(9,019)		(28,600)	(25,037)
Current payment	(31,861)	-	-	(31,861)	(22,842)	(9,019)	71.7%	(28,600)	(25,037)
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	6,307,313	-	-	6,307,313	6,019,179	288,134	95.4%	5,512,642	5,208,138
Reconciliation with statement of financial performance									
ADD									
Departmental receipts				15,608				-	
Direct Exchequer receipts				-				-	
Aid assistance				32,631				17,733	
Actual amounts per statement of financial performance (total revenue)				6,355,552				5,530,375	
ADD:									
Aid assistance					9,043				20,117
Prior year unauthorised expenditure approved without funding					15,936				56,157
Actual amounts per statement of financial performance (total expenditure)					6,044,158				5,284,412

Free State Department of Health
Vote 5
APPROPRIATION STATEMENT
for the year ended 31 March 2011

Appropriation per economic classification									
2010/11							2009/10		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	3,693,486	5,158	89,304	3,787,948	3,772,860	15,088	99.6%	3,155,287	3,144,308
Goods and services	1,888,614	(76,258)	(93,819)	1,718,537	1,698,993	19,544	98.9%	1,756,150	1,613,174
Interest and rent on land	500	2,226	-	2,726	2,679	47	98.3%	3,435	3,435
Transfers and subsidies									
Provinces and municipalities	-	-	-	-	5,000	(5,000)	(100.0%)	1,499	1,498
Departmental agencies and accounts	2,000	-	-	2,000	2,000	-	100.0%	2,000	2,000
Public corporations and private enterprises	-	1,747	-	1,747	1,747	-	100.0%	1,624	1,624
Non-profit institutions	63,547	(9,100)	-	54,447	50,087	4,360	92.0%	54,453	49,414

Free State Department of Health
Vote 5
APPROPRIATION STATEMENT
for the year ended 31 March 2011

2010/11								2009/10	
	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
Households	29,466	5,261	-	34,727	34,232	495	98.6%	35,945	35,720
Payments for capital assets									
Buildings and other fixed structures	381,512	4,523	11,564	397,599	237,655	159,944	59.8%	322,717	215,348
Machinery and equipment	248,188	51,572	(11,564)	288,196	194,542	93,654	67.5%	157,953	120,038
Payments for financial assets	-	14,871	4,515	19,386	19,384	2	100.0%	21,579	21,579
Total	6,307,313	-	-	6,307,313	6,019,179	288,134	95.4%	5,512,642	5,208,138



Free State Department of Health
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APPROPRIATION STATEMENT
for the year ended 31 March 2011

Detail per sub-programme	2010/11							2009/10	
	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 MEC									
Current payment	5,623	465	-	6,088	5,679	409	93.3%	4,785	4,584
Transfers and subsidies	-	-	-	-	-	-	-	798	798
Payment for capital assets	-	35	-	35	35	-	100.0%	85	85
Payment for financial assets	-	-	-	-	-	-	-	-	-
1.2 Management									
Current payment	234,053	(16,370)	(19,000)	198,683	188,674	10,009	95.0%	170,145	159,021
Transfers and subsidies	1,327	1,747	-	3,074	2,575	499	83.8%	2,174	2,033
Payment for capital assets	4,461	5,612	-	10,073	10,073	-	100.0%	6,113	6,112
Payment for financial assets	-	8,511	-	8,511	8,510	1	100.0%	21,579	21,579
Total	245,464	-	(19,000)	226,464	215,546	10,918	95.2%	205,679	194,212

Free State Department of Health
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APPROPRIATION STATEMENT
for the year ended 31 March 2011

Economic classification Programme 1	2010/11							2009/10	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	169,891	-	(19,000)	150,891	144,744	6,147	95.9%	128,064	125,752
Goods and services	69,431	(16,337)	-	53,094	48,823	4,271	92.0%	45,641	36,627
Interest and rent on land	354	432	-	786	786	-	100.0%	1,225	1,225
Transfers and subsidies to:									
Public corporations & private enterprises	-	1,747	-	1,747	1,747	-	100.0%	1,624	1,624
Non-profit institutions	27	-	-	27	23	4	85.2%	-	-
Households	1,300	-	-	1,300	805	495	61.9%	1,348	1,207
Payment for capital assets									
Machinery and equipment	4,461	5,647	-	10,108	10,108	-	100.0%	6,198	6,198
Payments for financial assets	-	8,511	-	8,511	8,510	1	100.0%	21,579	21,579
Total	245,464	-	(19,000)	226,464	215,546	10,918	95.2%	205,679	194,212

Free State Department of Health
Vote 5
APPROPRIATION STATEMENT
for the year ended 31 March 2011

2010/11										2009/10	
Detail per Sub-pro- gramme Programme 2	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	72,306	(4,957)	-	67,349	65,572	1,777	97.4%	56,453	55,787		
Transfers and sub- sidies	151	11	-	162	133	29	82.1%	166	120		
Payment for capital assets	1,115	1,958	-	3,073	3,014	59	98.1%	3,639	936		
Payment for financial assets	-	1,380	-	1,380	1,380	-	100.0%	-	-		
2.2 Community Health Clinics											
Current payment	609,853	(1,431)	-	608,422	539,612	68,810	88.7%	464,947	448,874		
Transfers and sub- sidies	848	813	-	1,661	1,661	-	100.0%	2,233	2,231		
Payment for capital assets	2,805	(405)	-	2,400	79	2,321	3.3%	1,138	1,138		
Payment for financial assets	-	-	-	-	-	-	-	-	-		
2.3 Community Health Centre											
Current payment	72,713	(1,474)	-	71,239	54,715	16,524	76.8%	51,139	48,407		
Transfers and sub- sidies	150	100	-	250	250	-	100.0%	294	294		
Payment for capital assets	489	(167)	-	322	345	(23)	107.1%	628	265		

Free State Department of Health
Vote 5
APPROPRIATION STATEMENT
for the year ended 31 March 2011

2010/11								2009/10	
Detail per Sub-programme Programme 2	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
Payment for financial assets	-	-	-	-	-	-	-	-	-
1.4 Community Based Services									
Current payment	234,335	9,616	21,031	264,982	363,957	(98,975)	137.4%	316,487	316,486
Transfers and subsidies	3,308	607	-	3,915	2,932	983	74.9%	470	470
Payment for capital assets	3,718	2,885	-	6,603	3,173	3,430	48.1%	2,854	2,647
Payment for financial assets	-	-	-	-	-	-	-	-	-
2010/11								2009/10	
Detail per Sub-programme Programme 2	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
1.5 HIV/AIDS									
Current payment	417,568	(13,360)	-	404,208	371,042	33,166	91.8%	279,134	274,479
Transfers and subsidies	58,857	(9,100)	-	49,757	46,561	3,196	93.6%	53,101	48,254
Payment for capital assets	9,756	19,600	-	29,356	7,309	22,047	24.9%	3,635	2,867
Payment for financial assets	-	-	-	-	-	-	-	-	-

Free State Department of Health
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APPROPRIATION STATEMENT
for the year ended 31 March 2011

2010/11										2009/10	
Detail per Sub-pro- gramme Programme 2	Adjusted Appropri- ation	Shifting of Funds	Virement	Final Appropri- ation	Actual Expendi- ture	Variance	Expendi- ture as % of final appro- priation	Final Appropri- ation	Actual Expendi- ture		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		
1.6 Nutrition											
Current payment	12,613	87	-	12,700	10,049	2,651	79.1%	11,759	11,306		
Transfers and subsi- dies	-	-	-	-	-	-	-	36	35		
Payment for capital assets	130	(17)	-	113	13	100	11.5%	69	2		
1.7 Coroner Services											
Current payment	28,218	(208)	-	28,010	27,520	490	98.3%	22,770	22,388		
Transfers and subsi- dies	-	-	-	-	64	(64)	-	230	229		
Payment for capital assets	9,000	-	-	9,000	3,265	5,735	36.3%	16,890	10,007		
Payment for financial assets	-	208	-	208	208	-	100.0%	-	-		
1.8 District Hospitals											
Current payment	862,734	(10,009)	-	852,725	852,843	(118)	100.0%	802,625	775,002		
Transfers and subsi- dies	1,227	1,016	-	2,243	2,243	-	100.0%	2,095	2,095		
Payment for capital assets	8,531	1,156	-	9,687	9,163	524	94.6%	6,478	6,078		
Payment for financial assets	-	1,691	-	1,691	1,690	1	99.9%	-	-		
Total	2,410,425	-	21,031	2,431,456	2,368,793	62,663	97.4%	2,099,270	2,030,397		

Free State Department of Health
Vote 5
APPROPRIATION STATEMENT
for the year ended 31 March 2011

2010/11								2009/10	
Economic classification Programme 2	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	1,493,576	6,553	16,031	1,516,160	1,516,160	-	100.0%	1,273,254	1,271,455
Goods and services	816,760	(28,354)	5,000	793,406	769,081	24,325	96.9%	731,792	681,002
Interest and rent on land	4	65	-	69	69	-	100.0%	268	268
Transfers and subsidies to:									
Provinces and municipalities	-	-	-	-	-	-	-	1,499	1,498
Non-profit institutions	62,145	(9,100)	-	53,045	48,901	4,144	92.2%	53,078	48,254
Households	2,396	2,547	-	4,943	4,943	-	100.0%	4,048	3,975
Payment for capital assets									
Buildings and other fixed structures	3,512	20,128	-	23,640	4,343	19,297	18.4%	12,440	5,895
Machinery and equipment	32,032	4,882	-	36,914	22,018	14,896	59.6%	22,891	18,050
Payments for financial assets	-	3,279	-	3,279	3,278	1	100.0%	-	-
Total	2,410,425	-	21,031	2,431,456	2,368,793	62,663	97.4%	2,099,270	2,030,397

Free State Department of Health
Vote 5
APPROPRIATION STATEMENT
for the year ended 31 March 2011

2010/11								2009/10	
Detail per Sub-programme Programme 3	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 Emergency Transport									
Current payment	289,746	(1,396)	6,107	294,457	297,849	(3,392)	101.2%	235,313	227,009
Transfers and subsidies	25	6	-	31	31	-	100.0%	78	77
Payment for capital assets	51,804	185	-	51,989	22,587	29,402	43.4%	32,427	32,427
Payment for financial assets	-	1,205	4,515	5,720	5,720	-	100.0%	-	-
3.2 Planned Patient Transport									
Current payment	8,909	-	-	8,909	5,517	3,392	61.9%	6,597	5,459
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	350,484	-	10,622	361,106	331,704	29,402	91.9%	274,415	264,972

Free State Department of Health
Vote 5
APPROPRIATION STATEMENT
for the year ended 31 March 2011

Economic classification Programme 3	2010/11						2009/10		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	205,226	(6)	(7,125)	198,095	198,095	-	100.0%	140,202	139,135
Goods and services	93,426	(3,038)	13,232	103,620	103,620	-	100.0%	100,189	91,814
Interest and rent on land	3	1,648	-	1,651	1,651	-	100.0%	1,519	1,519
Transfers and subsidies to:									
Households	25	6	-	31	31	-	100.0%	78	77
Payment for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	-	631	631
Machinery and equipment	51,804	185	-	51,989	22,587	29,402	43,4%	31,796	31,796
Payments for financial assets	-	1,205	4,515	5,720	5,720	-	100.0%	-	-
Total	350,484	-	10,622	361,106	331,704	29,402	91.9%	274,415	264,972

Free State Department of Health
Vote 5
APPROPRIATION STATEMENT
for the year ended 31 March 2011

2010/11								2009/10	
Detail per Sub-programme Programme 4	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 General Hospital									
Current payment	1,284,683	(3,764)	(39,734)	1,241,185	1,236,786	4,399	99.6%	1,159,076	1,119,390
Transfers and subsidies	3,200	(595)	-	2,605	2,605	-	100.0%	3,074	3,074
Payment for capital assets	23,423	-	-	23,423	18,693	4,730	79.8%	16,820	12,687
Payment for financial assets	-	1,091	-	1,091	1,091	-	100.0%	-	-
1.2 Public-Private Partnerships									
Current payment	1,320	2,673	-	3,993	3,925	68	98.3%	1,200	385
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	10	10
Payment for financial assets	-	-	-	-	-	-	-	-	-
1.3 Psychiatric/Mental Hospital									
Current payment	220,018	(489)	(2,031)	217,498	217,434	64	100.0%	195,811	193,351
Transfers and subsidies	2,051	669	-	2,720	2,508	212	92.2%	2,432	2,216
Payment for capital assets	2,400	-	-	2,400	1,890	510	78.8%	979	605
Payment for financial assets	-	415	-	415	415	-	100.0%	-	-
Total	1,537,095	-	(41,765)	1,495,330	1,485,347	9,983	99.3%	1,379,402	1,331,718

Free State Department of Health
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APPROPRIATION STATEMENT
for the year ended 31 March 2011

Economic classification Programme 4	2010/11							2009/10	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	1,041,007	(74)	49,152	1,090,085	1,089,046	1,039	99.9%	912,760	912,759
Goods and services	465,002	(1,557)	(90,917)	372,528	369,070	3,458	99.1%	443,202	400,242
Interest and rent on land	12	51	-	63	29	34	46.0%	125	125
Transfers and subsidies to:									
Non-profit institutions	1,375	-	-	1,375	1,163	212	84.6%	1,375	1,160
Households	3,876	74	-	3,950	3,950	-	100.0%	4,131	4,130
Payment for capital assets									
Buildings and other fixed structures	-	395	-	395	395	-	100.0%	17,809	13,302
Machinery and equipment	25,823	(395)	-	25,428	20,188	5,240	79.4%	-	-
Payments for financial assets									
	-	1,506	-	1,506	1,506	-	100.0%	-	-
Total	1,537,095	-	(41,765)	1,495,330	1,485,347	9,983	99.3%	1,379,402	1,331,718

Free State Department of Health
Vote 5
APPROPRIATION STATEMENT
for the year ended 31 March 2011

2010/11										2009/10	
Detail per Sub-programme Programme 5	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	995,157	(35,807)	26,192	985,542	985,016	526	99.9%	930,572	930,572		
Transfers and subsidies	2,950	983	-	3,933	3,933	-	100.0%	654	653		
Payment for capital assets	46,988	25,253	-	72,241	72,241	-	100.0%	46,850	29,946		
Payment for financial assets	-	156	-	156	156	-	100.0%	-	-		
1.2 Public-Private Partnerships											
Current payment	5,280	9,415	-	14,695	14,649	46	99.7%	4,772	2,196		
Transfers and subsidies	-	-	-	-	-	-	-	-	-		
Payment for capital assets	-	-	-	-	-	-	-	-	-		
Payment for financial assets	-	-	-	-	-	-	-	-	-		
Total	1,050,375	-	26,192	1,076,567	1,075,995	572	99.9%	982,848	963,367		

Free State Department of Health
Vote 5
APPROPRIATION STATEMENT
for the year ended 31 March 2011

2010/11										2009/10	
Economic classification Programme 5	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		
Current payments											
Compensation of employees	648,445	(983)	51,192	698,654	698,654	-	100.0%	587,143	585,874		
Goods and services	351,992	(25,434)	(25,000)	301,558	300,986	572	99.8%	347,942	346,635		
Interest and rent on land	-	25	-	25	25	-	100.0%	259	259		
Transfers and subsidies to:											
Households	2,950	983	-	3,933	3,933	-	100.0%	654	653		
Payment for capital assets											
Buildings and other fixed structures	-	-	11,564	11,564	12,207	(643)	105.6%	-	-		
Machinery and equipment	46,988	25,253	(11,564)	60,677	60,034	643	98.9%	46,850	29,946		
Payments for financial assets	-	156	-	156	156	-	100.0%	-	-		
Total	1,050,375	-	26,192	1,076,567	1,075,995	572	99.9%	982,848	963,367		

Free State Department of Health
Vote 5
APPROPRIATION STATEMENT
for the year ended 31 March 2011

2010/11								2009/10	
Detail per Sub-programme Programme 6	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 Nurse Training College									
Current payment	54,787	2,029	-	56,816	56,757	59	99.9%	29,176	28,224
Transfers and subsidies	-	224	-	224	224	-	100.0%	153	152
Payment for capital assets	2,005	134	-	2,139	828	1,311	38.7%	2,451	2,058
Payment for financial assets	-	191	-	191	191	-	100.0%	-	-
6.2 EMS Training College									
Current payment	16,160	(6,222)	(3,000)	6,938	6,708	230	96.7%	5,871	-
Transfers and subsidies	-	-	-	-	-	-	-	8,141	8,136
Payment for capital assets	7,307	(526)	-	6,781	6,564	217	96.8%	842	-
1.3 Primary Health Care Training									
Current payment	29,854	(918)	-	28,936	28,879	57	99.8%	45,384	43,264
Transfers and subsidies	18,769	1,319	-	20,088	20,088	-	100.0%	16,946	16,946
Payment for capital assets	247	336	-	583	631	(48)	108.2%	2,113	1,099
1.4 Other Training									
Current payment	13,547	3,374	-	16,921	16,737	184	98.9%	15,140	15,140
Transfers and subsidies	-	-	-	-	-	-	-	5	5

Free State Department of Health
Vote 5
APPROPRIATION STATEMENT
for the year ended 31 March 2011

2010/11								2009/10	
Detail per Sub-programme Programme 6	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
Payment for capital assets	-	56	-	56	108	(52)	192.9%	835	835
Payment for financial assets	-	3	-	3	3	-	100.0%	-	-
Total	142,676	-	(3,000)	139,676	137,718	1,958	98.6%	127,057	115,859
2010/11								2009/10	
Economic classification Programme 6	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Current payments									
Compensation of employees	72,302	(224)	-	72,078	72,004	74	99.9%	62,560	61,277
Goods and services	41,920	(1,513)	(3,000)	37,407	36,962	445	98.8%	32,990	25,331
Interest and rent on land	126	-	-	126	115	11	91.3%	21	21
Transfers and subsidies to:									
Households	18,769	1,543	-	20,312	20,312	-	100.0%	25,245	25,238
Payment for capital assets									
Machinery and equipment	9,559	-	-	9,559	8,131	1,428	85.1%	6,241	3,992
Payments for financial assets									
	-	194	-	194	194	-	100.0%	-	-
Total	142,676	-	(3,000)	139,676	137,718	1,958	98.6%	127,057	115,859

Free State Department of Health
Vote 5
APPROPRIATION STATEMENT
for the year ended 31 March 2011

Detail per Sub-programme Programme 7	2010/11							2009/10	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
7.1 Laundries									
Current payment	77,003	(128)	(7,080)	69,795	62,731	7,064	89.9%	63,067	56,180
Transfers and subsidies	150	108	-	258	258	-	100.0%	426	425
Payment for capital assets	1,581	-	-	1,581	311	1,270	19.7%	2,576	2,383
Payment for financial assets	-	20	-	20	20	-	100.0%	-	-
1.2 Orthotic and Prosthetic Services									
Current payment	13,415	-	-	13,415	11,338	2,077	84.5%	11,856	9,882
Transfers and subsidies	-	-	-	-	-	-	-	15	14
Payment for capital assets	80	-	-	80	18	62	22.5%	34	9
Payment for financial assets	-	-	-	-	-	-	-	-	-
1.3 Medicine (MEDPAS) Trading Account									
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	2,000	-	-	2,000	2,000	-	100.0%	2,000	2,000
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	94,229	-	(7,080)	87,149	76,676	10,473	88.0%	79,974	70,893

Free State Department of Health
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APPROPRIATION STATEMENT
for the year ended 31 March 2011

2010/11										2009/10	
Economic classification Programme 7	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		
Current payments											
Compensation of employees	60,702	(108)	(946)	59,648	51,912	7,736	87.0%	48,188	46,080		
Goods and services	29,715	(25)	(6,134)	23,556	22,153	1,403	94.0%	26,721	19,968		
Interest and rent on land	1	5	-	6	4	2	66.7%	14	14		
Transfers and subsidies to:											
Departmental agencies and accounts	2,000	-	-	2,000	2,000	-	100.0%	2,000	2,000		
Households	150	108	-	258	258	-	100.0%	441	440		
Payment for capital assets											
Machinery and equipment	1,661	-	-	1,661	329	1,332	19.8%	2,610	2,391		
Payments for financial assets											
	-	20	-	20	20	-	100.0%	-	-		
Total	94,229	-	(7,080)	87,149	76,676	10,473	88.0%	79,974	70,893		

Free State Department of Health
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APPROPRIATION STATEMENT
for the year ended 31 March 2011

2010/11										2009/10	
Detail per Sub-programme Programme 8		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 Community Health Services											
Current payment		28,000	-	13,000	41,000	49,681	(8,681)	121.2%	40,393	23,764	
Transfers and subsidies		-	-	-	-	-	-	-	-	-	
Payment for capital assets		27,000	-	-	27,000	10,066	16,934	37.3%	8,200	5,495	
Payment for financial assets		-	-	-	-	-	-	-	-	-	
8.2 District Hospital Services											
Current payment		4,426	-	-	4,426	4,300	126	97.2%	4,000	2,230	
Transfers and subsidies		-	-	-	-	-	-	-	-	-	
Payment for capital assets		359,000	-	-	359,000	225,964	133,036	62.9%	268,024	163,981	
Payment for financial assets		-	-	-	-	-	-	-	-	-	
8.3 Provincial Health Services											
Current payment		22,140	-	-	22,140	19,405	2,735	87.6%	15,000	12,578	
Transfers and subsidies		-	-	-	-	5,000	(5,000)	-	-	-	
Payment for capital assets		67,860	-	-	67,860	35,826	32,034	52.8%	56,980	53,709	
Payment for financial assets		-	-	-	-	-	-	-	-	-	
Total		508,426	-	13,000	521,426	350,242	171,184	67.2%	392,597	261,757	

Free State Department of Health
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APPROPRIATION STATEMENT
for the year ended 31 March 2011

Economic classification Programme 8	2010/11							2009/10	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	2,337	-	-	2,337	2,245	92	96.1%	3,116	1,976
Goods and services	52,229	-	13,000	65,229	71,140	(5,911)	109.1%	56,273	36,592
Interest and rent on land	-	-	-	-	-	-	-	4	4
Transfers and subsidies to:									
Provinces and municipalities	-	-	-	-	5,000	(5,000)	(100.0%)	-	-
Payment for capital assets									
Buildings and other fixed structures	378,000	(16,000)	-	362,000	220,710	141,290	61.0%	291,837	195,520
Machinery and equipment	75,860	16,000	-	91,860	51,147	40,713	55.7%	41,367	27,665
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	508,426	-	13,000	521,426	350,242	171,184	67.2%	392,597	261,757

Free State Department of Health
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APPROPRIATION STATEMENT
for the year ended 31 March 2011

2010/11								2009/10	
Detail per Sub-programme Programme 9	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 Internal Charges									
Current payment	(31,861)	-	-	(31,861)	(22,842)	(9,019)	71.7%	(28,600)	(25,037)
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	(31,861)	-	-	(31,861)	(22,842)	(9,019)	71.7%	(28,600)	(25,037)

2010/11								2009/10	
Economic classification Programme 9	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	(31,861)	-	-	(31,861)	(22,842)	(9,019)	71.7%	(28,600)	(25,037)
Interest and rent on land	-	-	-	-	-	-	-	-	-
Total	(31,861)	-	-	(31,861)	(22,842)	(9,019)	71.7%	(28,600)	(25,037)

Free State Department of Health
Vote 5
NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2011

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

Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A-H) 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 payments for financial assets

Detail of these transactions per programme can be viewed in the note on Payments for financial assets to the Annual Financial Statements.

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

4.1 Per Programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Programme 1	226,464	215,546	10,918	5%

The department had less cash available than the appropriated budget amount as a result of previous year over-expenditures that had to be paid back during the year under review. The department implemented certain stringency measures in order to have sufficient cash available for spending. Under-expenditure on capital assets occurred as the awarding of contracts did not proceed as planned.

Programme 2	2,431,456	2,368,793	62,663	3%

The HIV & Aids grant contributed towards R49 million of the under-spending in this programme. Roll-overs were requested for certain capital amounts. The department had less cash available than the appropriated budget amount as a result of previous year over-expenditures that had to be paid back during the year under review. The department implemented certain stringency measures in order to have sufficient cash available for spending. Under-expenditure on capital assets occurred as the awarding of contracts did not proceed as planned.

Programme 3	361,106	331,704	29,402	8%

The department had less cash available than the appropriated budget amount as a result of previous year over-expenditures that had to be paid back during the year under review. The department implemented certain stringency measures in order to have sufficient cash available for spending. Under-expenditure on capital assets occurred as the awarding of contracts did not proceed as planned.

Programme 4	1,495,330	1,485,347	9,983	1%

The department had less cash available than the appropriated budget amount as a result of previous year over-expenditures that had to be paid back during the year under review. The department implemented certain stringency measures in order to have sufficient cash available for spending. Under-expenditure on capital assets occurred as the awarding of contracts did not proceed as planned.

Free State Department of Health
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NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2011

Programme 5	1,076,567	1,075,995	572	0%

The department had less cash available than the appropriated budget amount as a result of previous year over-expenditures that had to be paid back during the year under review. The department implemented certain stringency measures in order to have sufficient cash available for spending. Under-expenditure on capital assets occurred as the awarding of contracts did not proceed as planned.

Programme 6	139,676	137,718	1,958	1%

The department had less cash available than the appropriated budget amount as a result of previous year over-expenditures that had to be paid back during the year under review. The department implemented certain stringency measures in order to have sufficient cash available for spending. Under-expenditure on capital assets occurred as the awarding of contracts did not proceed as planned.

Programme 7	87,149	76,676	10,473	12%

The department had less cash available than the appropriated budget amount as a result of previous year over-expenditures that had to be paid back during the year under review. The department implemented certain stringency measures in order to have sufficient cash available for spending. Under-expenditure on capital assets occurred as the awarding of contracts did not proceed as planned.

Programme 8	521,426	350,242	171,184	33%

Slow spending on projects was as a result of contract awarding that did not proceed as planned. Poor contractor performance on certain projects also contributed to the large under-expenditure on this programme. An amount of R113 million was withheld by National Treasury because of slow spending on projects.

Free State Department of Health
Vote 5
NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2011

4.2	Per Economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
		R'000	R'000	R'000	R'000
Current payments					
	Compensation of employees	3,787,948	3,772,860	15,088	0.40%
	Goods and services	1,718,537	1,698,993	19,544	1.14%
	Interest and rent on land	2,726	2,679	47	1.72%
	Unauthorised expenditure approved	-	15,936	(15,936)	(100%)
Transfers and subsidies					
	Provinces and municipalities	-	5,000	(5,000)	(100%)
	Departmental agencies and accounts	2,000	2,000	-	0%
	Non-profit institutions	54,447	50,087	4,360	8%
	Households	34,727	34,232	495	1%
	Public corporations & private enterprises	1,747	1,747	-	0%
Payments for capital assets					
	Buildings and other fixed structures	397,599	237,655	159,944	40%
	Machinery and equipment	288,196	194,542	93,654	32%
	Software and other intangible assets	-	-	-	
	Payments for financial assets	19,386	19,384	2	0.01%
Total		6,307,313	6,035,115	272,198	4%

Free State Department of Health
Vote 5
STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2011

	Note	2010/11		2009/10
		R'000		R'000

REVENUE

Annual appropriation	<u>1</u>	6,307,313		5,512,642
Departmental revenue	<u>2</u>	15,608		-
Aid assistance	<u>3</u>	32,631		17,733
TOTAL REVENUE		6,355,552		5,530,375

EXPENDITURE

Current expenditure

Compensation of employees	<u>4</u>	3,772,860		3,144,308
Goods and services	<u>5</u>	1,698,993		1,613,174
Interest and rent on land	<u>6</u>	2,679		3,435
Aid assistance	<u>3</u>	5,761		11,860
Unauthorised expenditure approved without funding	<u>10</u>	15,936		56,157
Total current expenditure		5,496,229		4,828,934

Transfers and subsidies

Transfers and subsidies	<u>8</u>	93,066		90,256
Aid assistance	<u>3</u>	3,276		8,019
Unauthorised expenditure approved without funding	<u>10</u>	-		-
Total transfers and subsidies		96,342		98,275

Expenditure for capital assets

Tangible capital assets	<u>9</u>	432,203		335,624
Software and other intangible assets	<u>9</u>	-		-
Unauthorised expenditure approved without funding	<u>10</u>	-		-
Total expenditure for capital assets		432,203		335,624

Free State Department of Health
Vote 5
STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2011

	Note	2010/11	2009/10
		R'000	R'000

Payments for financial assets	7	19,384	21,579
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TOTAL EXPENDITURE		6,044,158	5,284,412
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SURPLUS/(DEFICIT) FOR THE YEAR		311,394	245,963
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Reconciliation of Net Surplus/(Deficit) for the year

Voted funds		272,198	248,347
Annual appropriation		111,713	178,396
Conditional grants		160,485	69,951
Unconditional grants		-	-
Departmental revenue and NRF Receipts	16	15,608	-
Aid assistance	3	23,588	(2,384)
SURPLUS/(DEFICIT) FOR THE YEAR		311,394	245,963

Free State Department of Health
Vote 5
STATEMENT OF FINANCIAL POSITION
as at 31 March 2011

	Note	2010/11	2009/10
		R'000	R'000
ASSETS			
Current assets		280,938	373,858
Unauthorised expenditure	10	129,807	338,153
Fruitless and wasteful expenditure	11	4,226	4,930
Cash and cash equivalents	12	113,003	10,024
Prepayments and advances	13	114	163
Receivables	14	33,788	20,588
TOTAL ASSETS		280,938	373,858
LIABILITIES			
Current liabilities		260,793	361,493
Voted funds to be surrendered to the Revenue Fund	15	139,659	309,968
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	16	105,064	45,572
Payables	17	804	16
Aid assistance repayable	3	15,266	5,937
TOTAL LIABILITIES		260,793	361,493
NET ASSETS		20,145	12,365
Represented by:			
Recoverable revenue		20,145	12,365
TOTAL		20,145	12,365

Free State Department of Health
Vote 5
STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2011

	2010/11		2009/10
	R'000		R'000
Recoverable revenue			
Opening balance	12,365		17,233
Transfers:	7,780		(4,868)
Irrecoverable amounts written off			(5,049)
Debts revised	(2,809)		(4,399)
Debts recovered (included in departmental receipts)	(2,554)		(3,661)
Debts raised	13,143		8,241
TOTAL	20,145		12,365

Free State Department of Health
Vote 5
CASH FLOW STATEMENT
for the year ended 31 March 2011

	Note	2010/11		2009/10
		R'000		R'000

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts		6,408,008		5,566,040
Annual appropriated funds received	<u>1.1</u>	6,193,920		5,445,774
Departmental revenue received	<u>2</u>	181,457		102,533
Aid assistance received	<u>3</u>	32,631		17,733
Net (increase)/decrease in working capital		210,969		100,414
Surrendered to Revenue Fund		(471,856)		(188,960)
Surrendered to RDP Fund/Donor		(14,259)		(335)
Current payments		(5,496,229)		(4,828,934)
Payments for financial assets		(19,384)		(21,579)
Transfers and subsidies paid		(96,342)		(98,275)
Net cash flow available from operating activities	<u>18</u>	520,907		528,371

CASH FLOWS FROM INVESTING ACTIVITIES

Payments for capital assets	<u>9</u>	(432,203)		(335,624)
Proceeds from sale of capital assets	<u>2.3</u>	6,495		841
Net cash flows from investing activities		(425,708)		(334,783)

CASH FLOWS FROM FINANCING ACTIVITIES

Increase/(decrease) in net assets		7,780		(4,868)
Net cash flows from financing activities		7,780		(4,868)
Net increase/(decrease) in cash and cash equivalents		102,979		188,720
Cash and cash equivalents at beginning of period		10,024		(178,696)
Cash and cash equivalents at end of period	<u>19</u>	113,003		10,024

Free State Department of Health
Vote 5
ACCOUNTING POLICIES
for the year ended 31 March 2011

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 1 of 2010.

1. Presentation of the Financial Statements

1.1 Basis of preparation

The Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid.

1.2 Presentation currency

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

1.3 Rounding

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

1.4 Comparative figures

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

1.5 Comparative figures - Appropriation Statement

A comparison between actual amounts and final appropriation per major classification of expenditure is included in the Appropriation Statement.

2. Revenue

2.1 Appropriated funds

Appropriated funds comprises of departmental allocations as well as direct charges against revenue fund (i.e. statutory appropriation).

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

Unexpended appropriated funds are surrendered to the National/Provincial Revenue Fund. Any amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised as payable in the statement of financial position.

Any amount due from the National/Provincial Revenue Fund at the end of the financial year is recognised as a receivable in the statement of financial position.

Free State Department of Health
Vote 5
ACCOUNTING POLICIES
for the year ended 31 March 2011

2.2 Departmental revenue

All departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the National/Provincial Revenue Fund, unless stated otherwise.

Any amount owing to the National/Provincial Revenue Fund is recognised as a payable in the statement of financial position.

No accrual is made for amounts receivable from the last receipt date to the end of the reporting period. These amounts are however disclosed in the disclosure note to the annual financial statements.

2.3 Direct Exchequer receipts

All direct exchequer receipts are recognised in the statement of financial performance when the cash is received and is subsequently paid into the National/Provincial Revenue Fund, unless stated otherwise.

Any amount owing to the National/Provincial Revenue Funds at the end of the financial year is recognised as a payable in the statement of financial position.

2.4 Direct Exchequer payments

All direct exchequer payments are recognised in the statement of financial performance when final authorisation for payment is effected on the system (by no later than 31 March of each year).

2.5 Aid assistance

Aids assistance is recognised as revenue when received

All in-kind aid assistance is disclosed at fair value on the date of receipt in the annexures to the Annual Financial Statements

The cash payments made during the year relating to aid assistance projects are recognised as expenditure in the statement of financial performance when final authorisation for payments is effected on the system (by no later than 31 March of each year)

The value of the assistance expensed prior to the receipt of funds is recognised as a receivable in the statement of financial position.

Inappropriately expensed amounts using aid assistance and any unutilised amounts are recognised as payables in the statement of financial position.

All CARA funds received must be recorded as revenue when funds are received. The cash payments made during the year relating to CARA earmarked projects are recognised as expenditure in the statement of financial performance when final authorisation for payments effected on the system (by no later than 31 March of each year)

Inappropriately expensed amounts using CARA funds are recognised as payables in the statement of financial position. Any unutilised amounts are transferred to retained funds as they are not surrendered to the revenue fund.

3. Expenditure

3.1 Compensation of employees

3.1.1 Salaries and wages

Salaries and wages are expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

Free State Department of Health
Vote 5
ACCOUNTING POLICIES
for the year ended 31 March 2011

Other employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements at its face value and are not recognised in the statement of financial performance or position.

Employee costs are capitalised to the cost of a capital project when an employee spends more than 50% of his/her time on the project. These payments form part of expenditure for capital assets in the statement of financial performance.

3.1.2 Social contributions

Employer contributions to post employment benefit plans in respect of current employees are expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the National Revenue Fund and not in the financial statements of the employer department.

Employer contributions made by the department for certain of its ex-employees (such as medical benefits) are classified as transfers to households in the statement of financial performance.

3.2 Goods and services

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

The expense is classified as capital if the goods and/or services were acquired for a capital project or if the total purchase price exceeds the capitalisation threshold (currently R5, 000). All other expenditures are classified as current.

Rental paid for the use of buildings or other fixed structures is classified as *goods and services* and not as *rent on land*.

3.3 Interest and rent on land

Interest and rental payments are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). This item excludes rental for the use of buildings or other fixed structures. If it is not possible to distinguish between payment for the use of land and the fixed structures on it, the whole amount should be recorded under goods and services.

3.4 Payments for financial assets

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or under-spending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but an estimate is included in the disclosure notes to the financial statements amounts. All other losses are recognised when authorisation has been granted for the recognition thereof.

3.5 Transfers and subsidies

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

3.6 Unauthorised expenditure

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

Unauthorised expenditure approved with funding is derecognised from the statement of financial position when the unauthorised expenditure is approved and the related funds are received.

Free State Department of Health
Vote 5
ACCOUNTING POLICIES
for the year ended 31 March 2011

Where the amount is approved without funding it is recognised as expenditure in the statement of financial performance on the date of approval.

3.7 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as expenditure in the statement of financial performance according to the nature of the payment and not as a separate line item on the face of the statement. If the expenditure is recoverable it is treated as an asset until it is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

3.8 Irregular expenditure

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

4. Assets

4.1 Cash and cash equivalents

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

Bank overdrafts are shown separately on the face of the statement of financial position.

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

4.2 Other financial assets

Other financial assets are carried in the statement of financial position at cost.

4.3 Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made and are derecognised as and when the goods/services are received or the funds are utilised.

Prepayments and advances outstanding at the end of the year are carried in the statement of financial position at cost.

4.4 Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party (including departmental employees) and are derecognised upon recovery or write-off.

Receivables outstanding at year-end are carried in the statement of financial position at cost plus any accrued interest. Amounts that are potentially irrecoverable are included in the disclosure notes.

4.5 Investments

Capitalised investments are shown at cost in the statement of financial position.

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

4.6 Loans

Loans are recognised in the statement of financial position when the cash is paid to the beneficiary. Loans that are outstanding at year-end are carried in the statement of financial position at cost plus accrued interest.

Amounts that are potentially irrecoverable are included in the disclosure notes.

Free State Department of Health
Vote 5
ACCOUNTING POLICIES
for the year ended 31 March 2011

4.7 Inventory

Inventories that qualify for recognition must be initially reflected at cost. Where inventories are acquired at no cost, or for nominal consideration, their cost shall be their fair value at the date of acquisition.

All inventory items at year-end are reflected using the weighted average cost or FIFO cost formula.

4.8 Capital assets

4.8.1 Movable assets

Initial recognition

A capital asset is recorded in the asset register on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the movable capital asset is stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1.

All assets acquired prior to 1 April 2002 are included in the register R1.

Subsequent recognition

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as "expenditure for capital assets" and is capitalised in the asset register of the department on completion of the project.

Repairs and maintenance is expensed as current "goods and services" in the statement of financial performance.

4.8.2 Immovable assets

Initial recognition

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the immovable capital asset is stated at R1 unless the fair value for the asset has been reliably estimated.

Subsequent recognition

Work-in-progress of a capital nature is recorded in the statement of financial performance as "expenditure for capital assets". On completion, the total cost of the project is included in the asset register of the department that is accountable for the asset.

Repairs and maintenance is expensed as current "goods and services" in the statement of financial performance.

5. Liabilities

5.1 Payables

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

5.2 Contingent liabilities

Contingent liabilities are included in the disclosure notes to the financial statements when it is possible that economic benefits will flow from the department, or when an outflow of economic benefits or service potential is probable but cannot be measured reliably.

Free State Department of Health
Vote 5
ACCOUNTING POLICIES
for the year ended 31 March 2011

5.3 Contingent assets

Contingent assets are included in the disclosure notes to the financial statements when it is probable that an inflow of economic benefits will flow to the entity.

5.4 Commitments

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

5.5 Accruals

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

5.6 Employee benefits

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

5.7 Lease commitments

Finance lease

Finance leases are not recognised as assets and liabilities in the statement of financial position. Finance lease payments are recognised as an expense in the statement of financial performance and are apportioned between the capital and interest portions. The finance lease liability is disclosed in the disclosure notes to the financial statements.

Operating lease

Operating lease payments are recognised as an expense in the statement of financial performance. The operating lease commitments are disclosed in the disclosure notes to the financial statement.

5.8 Impairment and other provisions

The department tests for impairment where there is an indication that a receivable, loan or investment may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. An estimate is made for doubtful loans and receivables based on a review of all outstanding amounts at year-end. Impairments on investments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows / service potential flowing from the instrument.

Provisions are disclosed when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

6. Receivables for departmental revenue

Receivables for departmental revenue are disclosed in the disclosure notes to the annual financial statements.

7. Net Assets

7.1 Capitalisation reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlining asset is disposed and the related funds are received.

7.2 Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

8. Related party transactions

Specific information with regards to related party transactions is included in the disclosure notes.

9. Key management personnel

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

10. Public private partnerships

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

Free State Department of Health
Vote 5
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011

1. ANNUAL APPROPRIATION

1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for National Departments (Voted funds) and Provincial Departments:

		2010/11		2009/10
	Final Appropriation	Actual Funds Received	Funds not requested/ not re- ceived	Appropriation received
	R'000	R'000	R'000	R'000
Administration	226,464	226,464	-	205,679
District Health Services	2,431,456	2,431,456	-	2,099,270
Emergency Medical Services	361,106	361,106	-	274,415
Provincial Hospital Management	1,495,330	1,495,330	-	1,379,402
Central Hospital Services	1,076,567	1,076,567	-	982,848
Health Science and Training	139,676	139,676	-	127,057
Health Care Support Services	87,149	87,149	-	79,974
Health Facilities Management	521,426	408,033	113,393	325,729
Internal Charges	(31,861)	(31,861)	-	(28,600)
Total	6,307,313	6,193,920	113,393	5,445,774

Challenges experienced with the awarding of Tenders (Trompsburg & Ladybrand Hospital) which was only awarded in the fourth quarter.

ICU project - Pelonomi was slow moving and under-expenditure occurred.

Contract 10 Boitumelo was cancelled due to poor contractor performance.

Projection of material under-expenditure hence the national Treasury together with Department of Health withheld the rest of the funds.

Free State Department of Health
Vote 5
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011

	Note	2010/11 R'000	2009/10 R'000
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1.2 Conditional grants

Total grants received	35	1,611,795	1,381,754
Provincial grants included in Total Grants received		22,500	71,980

2. DEPARTMENTAL REVENUE

Sales of goods and services other than capital assets	2.1	119,695	87,247
Interest, dividends and rent on land	2.2.	340	2,168
Sales of capital assets	2.3	6,495	841
Transactions in financial assets and liabilities	2.4	61,422	13,118
Total revenue collected		187,952	103,374
Less: Own revenue included in appropriation	16	172,344	103,374
Departmental revenue collected		15,608	-

2.1 Sales of goods and services other than capital assets

Sales of goods and services produced by the department	119,562	87,070
Sales by market establishment	2,204	1,208
Administrative fees	357	352
Other sales	117,001	85,510
Sales of scrap, waste and other used current goods	133	177
Total	119,695	87,247

2.2 Interest, dividends and rent on land

Interest	338	2,168
Rent on land	2	-
Total	340	2,168

Free State Department of Health
Vote 5
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011

	Note	2010/11 R'000	2009/10 R'000
2.3 Sale of capital assets			
Tangible assets		6,495	841
Machinery and equipment	32	6,495	841
Total		6,495	841

2.4 Transactions in financial assets and liabilities

Receivables	2,653	7,437
Stale cheques written back	12	3
Other Receipts including Recoverable Revenue	58,757	5,678
Total	61,422	13,118

3. AID ASSISTANCE

3.1 Aid assistance received in cash from RDP

Foreign		
Opening Balance	5,867	5,679
Revenue	29,583	15,200
Expenditure	(8,991)	(14,677)
Current	(5,709)	(6,420)
Capital	(6)	(238)
Transfers	(3,276)	(8,019)
Surrendered to the RDP	(11,211)	(335)
Closing Balance	15,248	5,867

3.2 Aid assistance received in cash from other sources

Local		
Opening Balance	70	2,977
Revenue	3,048	2,533
Expenditure	(52)	(5,440)
Current	(52)	(5,440)
Surrendered to the donor	(3,048)	-
Closing Balance	18	70

Free State Department of Health
Vote 5
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011

	<i>Note</i>	2010/11 R'000	2009/10 R'000
3.3 Total			
Opening Balance		5,937	8,656
Revenue		32,631	17,733
Expenditure		(9,043)	(20,117)
Current		(5,761)	(11,860)
Capital		(6)	(238)
Transfers		(3,276)	(8,019)
Surrendered / Transferred to retained funds		(14,259)	(335)
Closing Balance		15,266	5,937

Analysis of balance

Aid assistance repayable	15,266	5,937
RDP	15,248	5,867
Other sources	18	70
Closing balance	15,266	5,937

4. COMPENSATION OF EMPLOYEES

4.1 Salaries and Wages

Basic salary	2,437,418	2,082,297
Performance award	78,608	805
Service Based	5,732	5,632
Compensative/circumstantial	329,695	272,511
Periodic payments	6,112	3,430
Other non-pensionable allowances	441,013	363,865
Total	3,298,578	2,728,540

Free State Department of Health
Vote 5
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011

	<i>Note</i>	2010/11 R'000	2009/10 R'000
4.2 Social Contributions			
Employer contributions			
Pension		301,851	264,342
Medical		171,952	150,461
Bargaining council		479	965
Total		474,282	415,768
Total compensation of employees		3,772,860	3,144,308
 Average number of employees		 16,231	 15,869

5. GOODS AND SERVICES

Administrative fees		936	564
Advertising		8,396	2,984
Assets less than R5,000	<u>5.1</u>	21,285	6,415
Bursaries (employees)		-	81
Catering		5,618	2,468
Communication		51,261	46,155
Computer services	<u>5.2</u>	36,308	29,870
Consultants, contractors and agency/outsourced services	<u>5.3</u>	477,236	455,367
Entertainment		303	23
Audit cost – external	<u>5.4</u>	10,815	10,967
Fleet services		73,920	-
Inventory	<u>5.5</u>	825,467	948,857
Operating leases		68,559	13,254
Owned and leasehold property expenditure	<u>5.6</u>	50,170	51,209
Travel and subsistence	<u>5.7</u>	34,974	23,882
Venues and facilities		2,436	794
Training and staff development		18,477	10,420
Other operating expenditure	<u>5.8</u>	12,832	9,864
Total		1,698,993	1,613,174

Free State Department of Health
Vote 5
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011

	<i>Note</i>	2010/11 R'000	2009/10 R'000
5.1 Assets less than R5,000			
Tangible assets		21,285	6,408
Machinery and equipment		21,285	6,408
Intangible assets		-	7
Total		21,285	6,415

5.2 Computer services

SITA computer services	28,170	20,156
External computer service providers	8,138	9,714
Total	36,308	29,870

5.3 Consultants, contractors and agency/outsourced services

	R'000	R'000
Business and advisory services	4,313	13,208
Infrastructure and planning	9,974	15,336
Laboratory services	212,481	198,473
Legal costs	504	902
Contractors	138,206	147,957
Agency and support/outsourced services	111,758	79,491
Total	477,236	455,367

5.4 Audit cost – External

Regularity audits	10,805	10,947
Investigations	10	20
Total	10,815	10,967

Free State Department of Health
Vote 5
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011

	<i>Note</i>	2010/11 R'000	2009/10 R'000
5.5 Inventory			
Food and food supplies		34,761	47,471
Fuel, oil and gas		12,836	17,755
Other consumable materials		69,449	149,938
Maintenance material		5,018	4,479
Stationery and printing		21,624	27,076
Medical supplies		230,672	236,339
Medicine		451,107	465,799
Total		825,647	948,857

The values for Medical Supplies and Medicine have been restated due to the fact that Antiretroviral Drugs, Medicines and Vaccines are separately disclosed as Medicine for the 2010/11 financial year, resulting in the restatement of the comparative figures.

5.6 Property payments

Municipal services	1,479	849
Other	48,691	50,360
Total	50,170	51,209

The values for Property payments municipal services and other have been restated. Municipal services should be separately disclosed and not included in other payments.

5.7 Travel and subsistence

Local	34,698	23,490
Foreign	276	392
Total	34,947	23,882

5.8 Other operating expenditure

Learnerships	4,494	-
Professional bodies, membership and subscription fees	529	473
Resettlement costs	2,788	2,019
Other	5,021	7,372
Total	12,832	9,864

Free State Department of Health
Vote 5
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011

	Note	2010/11 R'000	2009/10 R'000
6. INTEREST AND RENT ON LAND			
Interest paid		2,679	3,435
Total		2,679	3,435

7. PAYMENTS FOR FINANCIAL ASSETS

Material losses through criminal conduct		586	474
Theft	7.3	-	314
Other material losses	7.1	586	160
Other material losses written off	7.2	18,798	21,105
Total		19,384	21,579

7.1 Other material losses

Nature of other material losses

Incident Disciplinary Steps taken/ Criminal proceedings

Criminal	None	586	160
Total		586	160

7.2 Other material losses written off

Nature of losses

Claims by the State	540	170
Sundry Items	993	256
Vehicle Accidents/Own Damage	6,469	2,356
Claims against the state: Mobile Government Vehicles	-	55
Claims against the state: Other Claims	212	125
Stock Shortages	10,326	3,464
Staff Debt	-	14,679
Excess payments	1	
Fruitless & Wasteful Expenditure	257	
Total	18,798	21,105

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	<i>Note</i>	2010/11 R'000	2009/10 R'000
7.3 Detail of theft			
Nature of theft			
Fraudulently cashed cheques		-	314
Total		-	314

8. TRANSFERS AND SUBSIDIES

Provinces and municipalities	<i>Annex 1A</i>	5,000	1,498
Departmental agencies and accounts	<i>Annex 1B</i>	2,000	2,000
Public corporations and private enterprises	<i>Annex 1C</i>	1,747	1,624
Non-profit institutions	<i>Annex 1D</i>	50,088	49,414
Households	<i>Annex 1E</i>	34,231	35,719
Gifts, donations and sponsorships made	<i>Annex 1H</i>	-	1
Total		93,066	90,256

9. EXPENDITURE FOR CAPITAL ASSETS

Tangible assets		432,203	335,624
Buildings and other fixed structures	34	237,655	202,219
Machinery and equipment	32	194,548	133,405
Total		432,203	335,624

9.1 Analysis of funds utilised to acquire capital assets – 2010/11

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	432,197	6	432,203
Buildings and other fixed structures	237,655	-	237,655
Machinery and equipment	194,542	6	194,548
Total	432,197	6	432,203

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9.2 Analysis of funds utilised to acquire capital assets – 2009/10

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	335,386	238	335,624
Buildings and other fixed structures	202,046	173	202,219
Machinery and equipment	133,340	65	133,405
Total	335,386	238	335,624
	<i>Note</i>	2010/11	2009/10
		R'000	R'000

10. UNAUTHORISED EXPENDITURE

Reconciliation of unauthorised expenditure

Opening balance		338,153	427,907
Unauthorised expenditure – discovered in current year	15	14,282	-
Less: Amounts approved by Parliament/Legislature with funding		(206,692)	(33,597)
Less: Amounts approved by Parliament/Legislature without funding and written off in the Statement of Financial Performance		(15,936)	(56,157)
Capital		(15,936)	(56,157)
Unauthorised expenditure awaiting authorisation / written off		129,807	338,153
	<i>Note</i>	2010/11	2009/10
		R'000	R'000

Analysis of awaiting authorisation per economic classification

Capital	121,482	334,828
Transfers and subsidies	8,325	3,325
Total	129,807	338,153

10.1 Analysis of unauthorised expenditure awaiting authorisation per type

Unauthorised expenditure relating to overspending of the vote or a main division within a vote	129,807	338,153
Total	129,807	338,153

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	<i>Note</i>	2010/11	2009/10
		R'000	R'000

10.2 Details of unauthorised expenditure – current year

Incident	Disciplinary steps taken/criminal proceedings		
Overspending on departmental vote-	None		14,282
Total			14,282

11. FRUITLESS AND WASTEFUL EXPENDITURE

11.1 Reconciliation of fruitless and wasteful expenditure

Opening balance	4,930	4,481
Less: Amounts condoned	(704)	449
Current	(704)	449
Fruitless and wasteful expenditure awaiting condonement	4,226	4,930
Analysis of awaiting condonement per economic classification		
Current	4,226	4,930
Total	4,226	4,930

12. CASH AND CASH EQUIVALENTS

Consolidated Paymaster General Account	112,268	9,954
Cash receipts	-	(1)
Disbursements	734	(1)
Cash on hand	1	72
Total	113,003	10,024

13. PREPAYMENTS AND ADVANCES

Travel and subsistence	114	163
Total	114	163

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14. RECEIVABLES

		2010/11			2009/10	
		R'000	R'000	R'000	R'000	R'000
	Note	Less than one year	One to three years	Older than three years	Total	Total
Claims recoverable	14.1 <i>Annex 4</i>	-	4,511	-	4,511	424
Recoverable expenditure	14.2	1	1,099	-	1,100	1,099
Staff debt	14.3	4,726	8,649	14,767	28,142	18,933
Other debtors	14.4	35			35	132
Total		4,762	14,259	14,767	33,788	20,588

	Note	2010/11	2009/10
		R'000	R'000

14.1 Claims recoverable

National departments	9	9
Provincial departments	4,502	415
Total	4,511	424

14.2 Recoverable expenditure (disallowance accounts)

Disall: Damages & Losses CA	1,100	1,099
Total	1,100	1,099

14.3 Staff debt

Staff Debt	32,301	21,272
Debt receivable interest	(4,825)	(3,367)
Control Accounts	666	1,028
Total	28,142	18,933

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	<i>Note</i>	2010/11 R'000	2009/10 R'000
14.4 Other debtors			
Clearing Accounts		35	132
Total		35	132

15. VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND

Opening balance		309,968	208,100
Transfer from statement of financial performance		272,198	248,347
Add: Unauthorised expenditure for current year	<u>10</u>	14,282	-
Voted funds not requested/not received	<u>1.1</u>	(113,393)	(66,868)
Paid during the year		(343,396)	(79,611)
Closing balance		139,659	309,968

16. DEPARTMENTAL REVENUE AND NRF RECEIPTS TO BE SURRENDERED TO THE REVENUE FUND

Opening balance		45,572	51,547
Transfer from Statement of Financial Performance		15,608	-
Own revenue included in appropriation		172,344	103,374
Paid during the year		(128,460)	(109,349)
Closing balance		105,064	45,572

17. PAYABLES – CURRENT

			Total
Clearing accounts	<u>17.1</u>	240	16
Other payables	<u>17.2</u>	564	-

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	<i>Note</i>	2010/11 R'000	2009/10 R'000
Total		804	16

17.1 Clearing accounts

Salary income tax clearing account	217	-
Salary housing clearing account	15	15
Salary garnishee orders	8	1
Total	240	16

17.2 Other payables

Credit balances included in Receivables	564	-
Total	564	-

18. NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES

Net surplus/(deficit) as per Statement of Financial Performance	311,394	245,963
Add back non cash/cash movements not deemed operating activities	209,513	282,408
(Increase)/decrease in receivables – current	(13,200)	11,289
(Increase)/decrease in prepayments and advances	49	(125)
(Increase)/decrease in other current assets	223,332	33,148
Increase/(decrease) in payables – current	788	(55)
Proceeds from sale of capital assets	(6,495)	(841)
Expenditure on capital assets	432,203	335,624
Surrenders to Revenue Fund	(471,856)	(188,960)
Surrenders to RDP Fund/Donor	(14,259)	(335)
Voted funds not requested/not received	(113,393)	(66,868)
Own revenue included in appropriation	172,344	103,374
Other non-cash items	-	56,157
Net cash flow generated by operating activities	520,907	528,371

19. RECONCILIATION OF CASH AND CASH EQUIVALENTS FOR CASH FLOW PURPOSES

		R'000
Consolidated Paymaster General account	112,268	9,954
Cash receipts	-	(1)
Disbursements	734	(1)
Cash on hand	1	72
Total	113,003	10,024

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

	<i>Note</i>	2010/11	2009/10
		R'000	R'000

20. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

20.1 Contingent liabilities

Liable to	Nature			
Housing loan guarantees	Employees	<i>Annex 2A</i>	1,563	2,597
Claims against the department		<i>Annex 2B</i>	43,744	28,022
Other departments (interdepartmental unconfirmed balances)		<i>Annex 4</i>	3,434	41,805
Other		<i>Annex 2B</i>	-	11,543
Total			48,741	83,967

The previous year value in respect of Housing Loan Guarantees have been restated due to system errors. The restatement has also been adjusted per Annexure 3A.

The previous year value in respect of Claims against the department have been restated due to duplications. The restatement has also been adjusted per Annexure 3B.

A contingent liability exists in respect of the payment of performance bonuses. Performance reviews were conducted in September 2010 for the 2010/11 performance bonuses and the final review was due end of March 2011, thus a constructive obligation was created. Due to the fact that the final performance evaluation was not finalised at year end, the amount to be disclosed could not be reliably determined.

20.2 Contingent assets

Nature of contingent asset			
OSD- overpayments to employees		8,377	8,282
Total		8,377	8,282

Occupational Specific Dispensation (OSD)

The overpayment of Occupational Specific Dispensation of Nurses (OSD's) arose due to conflicting messages on the implementation of OSD received from the National Department of Health and the DPSA. This resulted in all the provinces experiencing major implementation problems that lead to overpayments on the OSD's.

The outcome of the court case on the recovery of overpayments of OSD's indicated that the recovery of funds paid erroneously to nurses during the initial implementation is depending on guidance by National Treasury. Therefore uncertainty exists as to whether the amount can be recovered, pending the guidance of National Treasury.

The Arbitration Award was accompanied by the letter from the National Minister of Health indicating that the downgrading of salaries for nurses who are overpaid should be done with effect from 7th August 2009 and the salary overpayment not be deducted until the matter is resolved by the Mandatory Committee at national level.

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STRIKE ACTION: COMPENSATION

During the period July & August 2010 a number of employees in the health sector engaged in a strike action. These employees received full remuneration for the periods that they were on strike. The Department engaged on an action to determine the value of remuneration which was received by the employees. A receivable was disclosed in respect of information available and the overpayments will be deducted from the employees' salaries. A contingent asset exists in respect of employees where adequate information was not available and where employees were intimidated to join the strike action. The value could not be reliably determined at year end.

<i>Note</i>	2010/11	2009/10
	R'000	R'000

21. COMMITMENTS

Current expenditure

Approved and contracted

123,223

107,411

Approved but not yet contracted

9,600

29,405

132,823

136,816

Capital expenditure

Approved and contracted

940,394

263,840

Approved but not yet contracted

-

95,714

940,394

359,554

Total Commitments

1,073,217

496,370

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22. ACCRUALS

			2010/11	2009/10
			R'000	R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	56,877	6,080	62,957	138,802
Transfers and subsidies	504	-	504	147
Capital assets	13,193	1,108	14,301	12,017
Other	121	-	121	-
Total	70,695	7,188	77,883	150,966
Listed by programme level				
Programme 1 – Administration			3,912	59,937
Programme 2 – District Health Services			5,705	19,918
Programme 3 – Emergency Medical Services			702	-
Programme 4 – Provincial Hospital Services			1,991	6,977
Programme 5 – Central Hospital Services			7,725	11,060
Programme 6 – Health Science Training			23	1
Programme 7 – Health Care Support and Central Medical Trading Account			45,416	53,073
Programme 8 – Health Facilities Management			12,409	-
Total			77,883	150,966
Confirmed balances with other departments		Annex 4	4,008	33
Total			4,008	33

23. EMPLOYEE BENEFITS

Leave entitlement	115,326	227,959
Service bonus (Thirteenth cheque)	99,499	86,984
Capped leave commitments	158,061	152,796
Other	-	26
Total	372,886	467,765

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	<i>Note</i>	2010/11	2009/10
		R'000	R'000
Negative leave balances included in employee benefits			
Negative leave entitlement		8,211	8,046
Negative capped leave commitments		17	15
		8,228	8,061

24. LEASE COMMITMENTS

24.1 Operating leases expenditure

2010/11	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	-	23,526	23,526
Later than 1 year and not later than 5 years	-	-	-	34,253	34,253
Later than five years	-	-	-	1,986	1,986
Total lease commitments	-	-	-	59,765	59,765

2009/10	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	-	427	427
Later than 1 year and not later than 5 years	-	-	-	518	518
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	945	945

24.2 Finance leases expenditure**

2010/11	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	-	8,269	8,269
Later than 1 year and not later than 5 years	-	-	-	520	520
Total lease commitments	-	-	-	8,789	8,789
LESS: finance costs	-	-	-	571	571
Total present value of lease liabilities	-	-	-	8,218	8,218

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2009/10	Specialised military equip- ment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	-	14,953	14,953
Later than 1 year and not later than 5 years	-	-	-	10,942	10,942
Total lease commitments	-	-	-	25,895	25,895
LESS: finance costs	-	-	-	2,393	2,393
Total present value of lease liabilities	-	-	-	23,502	23,502

**This note excludes leases relating to public private partnership as they are separately disclosed to note no.39.

25. RECEIVABLES FOR DEPARTMENTAL REVENUE

Sales of goods and services other than capital assets	495,113	365,583
Transactions in financial assets and liabilities	11,811	-
Total	506,924	365,583

<i>Note</i>	2010/11	2009/10
	R'000	R'000

25.1 Analysis of receivables for departmental revenue

Opening balance	365,583	166,412
Less: amounts received	221,719	72,140
Add: amounts recognised	441,657	429,789
Add: Receivable – Joint Staff Establishment Fund	5,602	-
Add: Receivable - Strike action: Compensation	6,209	-
Less: amounts written-off/reversed as irrecoverable	90,408	158,478
Closing balance	506,924	365,583

RECEIVABLE - JOINT STAFF ESTABLISHMENT AGREEMENT

An initial agreement was signed between the Department of Health and The University of the Free State on 19 March 2001 (commence 1 April 2001) through which a new joint staff establishment was created with responsibilities for health services, education, training and research. Subsequent to this a verbal agreement was reached.

The fund centers around an arrangement between the Department and the University of which a 70 / 30 agreement is in place for the payment of salaries relating to the joint staff establishment. (70% Department of Health / 30% University of the Free State.)

The joint establishment includes all specialists, chief specialists and principal specialists involved in training of students at the faculty. The 30% that should be contributed by the University is communicated to the faculty by Universitas Hospital.

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Currently the department pays 100% of the salaries of the official's. This amount is yearly fully budgeted for by the Free State Department of Health. Per the verbal agreement with the University, the 30% then has to be refunded to the department. The 30% that should be contributed by the medical faculty is refunded to the Free State Department of Health by procuring assets as well as goods and services on behalf of the department and according to the departmental needs. These assets are disclosed as donations to the department and included in the asset register of the Department.

During the prior year audit it was determined that the way in which the fund was administered did not meet the requirements of the PFMA and a new agreement need to be reached between the University of the Free State and the Free State Department of Health. Procurement of assets was stopped by the University awaiting the new agreement. An interim agreement was reached between the parties in which the University agreed to make payment to the Department of the amount outstanding to 31 December 2010, which amount was received in March 2011. This amount was included as revenue in the financial statements.

A current liability arose from the fact that an amount is still outstanding for the period January 2011 to March 2011, which amount will be paid once final agreement has been reached between the University of the Free State and the Free State Department of Health.

Deviation was requested from National Treasury to deviate from Section 40 of the PFMA and Treasury Regulation 18.2 in respect of prior and current financial year's disclosure of transactions related to the Joint Staff Establishment. The request for deviation was granted. Approval was granted to treat the recoverable amount received as departmental revenue and include the amount not received at financial year end as departmental revenue receivable.

RECEIVABLE – STRIKE ACTION: COMPENSATION

During the period July & August 2010 a number of employees in the health sector engaged in a strike action. These employees received full remuneration for the periods that they were on strike. The Department engaged on an action to determine the value of remuneration which was received by the employees. The overpayments will be deducted from the employees' salaries and will be regarded as leave without pay.

	<i>Note</i>	2010/11	2009/10
		R'000	R'000
26. IRREGULAR EXPENDITURE			
Reconciliation of irregular expenditure			
Opening balance		278,932	123,934
Add: Irregular expenditure – relating to prior year		-	5,478
Add: Irregular expenditure – relating to current year		229,959	152,696
Less: Amounts condoned		(359,006)	(3,176)
Irregular expenditure awaiting condonation		149,885	278,932
Analysis of awaiting condonation per age classification			
Current year		14,307	157,654
Prior years		135,578	121,278
Total		149,885	278,932

The prior year figures for Irregular Expenditure were restated due to calculation errors and irregular expenditure identified during the prior year audit process that was not previously disclosed.

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26.1 Details of irregular expenditure – current year

Incident	Disciplinary steps taken/criminal proceedings	2010/11 R'000
Procurement processes not adhered to	None	229,959
Total		229,959

26.2 Details of irregular expenditure condoned

Incident	Condoned by (condoning authority)	2010/11 R'000
Procurement processes not adhered to	Head of Department	359,006
Total		359,006

<i>Note</i>	2010/11 R'000	2009/10 R'000
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27. FRUITLESS AND WASTEFUL EXPENDITURE

27.1 Reconciliation of fruitless and wasteful expenditure

Opening balance	23,070	515
Fruitless and wasteful expenditure – relating to prior year	-	21,354
Fruitless and wasteful expenditure – relating to current year	3,372	1,201
Less: Amounts condoned	(24,040)	-
Less: Amounts transferred to receivables for recovery	-	-
Fruitless and wasteful expenditure awaiting condonement	2,402	23,070

27.2 Analysis of awaiting condonation per economic classification

Current	2,402	23,070
Total	2,402	23,070

27.3 Analysis of Current year's fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	2010/11 R'000
Interest paid	None	3,348
Unused stock	None	24
Total		3,372

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28. RELATED PARTY TRANSACTIONS

	2010/11 R'000	2009/10 R'000
Payments made		
Goods and services	390,548	371,817
Total	390,548	371,817

Year end balances arising from revenue/payments

Payables to related parties	45,374	56,093
Total	45,374	56,093

The Central Medical Trading account is considered a related party to the Free State Department of Health due to the fact that the Free State Department of Health has the ability to control the Central Medical Trading Account and exercise significant influence over the Medical Depot.

The Department of Public Works is considered a related party to the Free State Department of Health due to the fact the a number of hospitals, clinics and community health centres are occupied by the Free State Department of Health, rent free.

The Department of Public Works also render services on the administration of Infrastructure contracts, free of charge to the Free State Department of Health and is also therefore considered a related party to the department.

Details of facilities occupied rent free:

- 1 Academic Hospital
- 1 Psychiatric Hospital
- 5 Regional Hospitals
- 24 District Hospitals
- 227 Clinics
- 10 Community Health Centres

	Note	2010/11 R'000	2009/10 R'000
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29. KEY MANAGEMENT PERSONNEL

Political office bearers (provide detail below)	1	1,522	2,234
Officials:			
Level 15 to 16	5	5,106	5,242
Level 14 (incl. CFO if at a lower level)	10	7,902	6,128
Family members of key management personnel		2,956	2,249
Total		17,486	15,853

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30. PUBLIC PRIVATE PARTNERSHIP

A Concession Agreement was entered into between the Free State Department of Health, on the one hand and Community Hospital Management (Proprietary) Limited and Netcare Construction (Proprietary) Limited on the other hand.

The Project was procured by the FSDoH during 2002 in terms of which the FSDoH offered to the Community Hospital Management (Proprietary) Limited the right to use space within and access to facilities at the Universitas and Pelonomi Hospitals in exchange for the Community Hospital Management (Proprietary) Limited completing certain infrastructure upgrades and rehabilitation at the Hospitals and making payments for usage of the facilities and certain services provided by the FSDoH.

The Concession Agreement was subsequently supplemented by a Radiology PPP Policy, which (although not a formal amendment to the Concession Agreement) details the extent and scope of the Radiology Services provided by the FSDoH to the Community Hospital Management (Proprietary) Limited.

In terms of the Concession Agreement, the Community Hospital Management (Proprietary) Limited was liable to pay to the FSDoH :

1. a prescribed Fixed Concession Fee;
2. a prescribed Variable Concession Fee;
3. all utility and service charges for water and electricity consumption at the Exclusive Use Facilities less penalties for non-availability of Mission Critical Services; and
4. where there was an increase in the ratio of licensed private hospital beds, compensation in accordance with a prescribed formula.

Radiology Services were in terms of the Concession Agreement to be provided by the FSDoH, the Community Hospital Management (Proprietary) Limited and Third Parties. The Community Hospital Management (Proprietary) Limited was obliged to make use of the equipment owned by the FSDoH when Radiology Services was provided. This arrangement did not relate to Hospital Patients or foreign patients treated by the FSDoH, but rather Private Patients being treated either by the FSDoH doctors as part of their RWOPS, the Community Hospital Management (Proprietary) Limited or Third Parties.

In this respect, an agreement for the lease of equipment and provision for Radiology services were entered into with Drs de Vries & Associates whereby a fixed rental amount should be paid to the Free State Department of Health. This agreement, although not part of the PPP agreement has a direct impact on the cash flows and rights and obligations in respect of the PPP agreement. The reason being that Drs de Vries & Associates renders Radiology services to private patients as part of RWOPS. Per the concession agreement, it was contemplated that the FSDOH would provide Radiology services through government Radiologists during their hours of public services and not as part of RWOPS.

The Community Hospital Management (Proprietary) Limited was furthermore required, on behalf of the FSDoH, to perform all administrative functions and services relating to the provision of Radiology Services by the FSDoH and Third Parties to Private Patients.

The simplified interpretation of the Concession Agreement is that the Community Hospital Management (Proprietary) Limited would appoint an administrator to administer and collect all the Radiology Fees relating to Private Patients. 22,5% of all revenue, whether Actual Department or Actual Third Party Fees should accrue to the Department. From the balance, the Community Hospital Management (Proprietary) Limited should pay the administration fee as well as a professional fee to the radiologist who performed the services.

The above mentioned agreement was not followed and uncertainties had been identified which relates to the administration of Radiology Services, including invoicing and the collection of fees. The FSDOH did not manage and administer the agreement in a sufficient and transparent manner. An independent consultancy firm was appointed to investigate the agreement and the discrepancies identified. The outcome of the investigation concluded that the agreement between FSDOH and CHM is valid and although not administered according to the agreement the transactions between the parties did meet the financial and other obligations between the parties. A decision was made that all revenue and expenditure due by the parties be paid and a process be undertaken to simplify the requirements of the original agreement. All obligations have been met by the parties for the period ending 31 January 2011.

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	Note	2010/11 R'000	2009/10 R'000
Contract fee received		7,804	394
Fixed & Variable Fee		5,742	-
Water & Electricity Repayments		336	394
Other CHM		1,726	-
Current Expenditure		(14,620)	708
Goods & Services			
Payments made to CHM		(18,520)	(2,592)
Received from Drs de Vries & Associates		3,900	3,300
Nett total cash transactions		(6,816)	1,102
Payables (amounts payable to CHM)			
Contractual obligations		1,635	10,486
Receivables (amounts receivable from CHM)			
Fixed & Variable fee		528	3,293

31. IMPAIRMENT AND OTHER PROVISIONS

Potential Irrecoverable Debt		
Staff Debtors	3,401	5,413
Other Debtors	349,514	224,850
Total	352,915	230,263

32. MOVABLE TANGIBLE CAPITAL ASSETS

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Opening balance	Curr Year Adjust-ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	719,571	(6,690)	207,726	30,617	889,990
Transport assets	76,818	(1,825)	11,295	16,465	69,823
Computer equipment	69,766	(1,687)	34,703	4,849	97,933
Furniture and office equipment	27,666	(2,459)	8,630	446	33,391
Other machinery and equipment	545,321	(719)	153,098	8,857	688,843
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	719,571	(6,690)	207,726	30,617	889,990

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32.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease pay- ments)	Received cur- rent, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	194,548	28,857	(16,594)	915	207,726
Transport assets	86	11,209	-	-	11,295
Computer equipment	32,520	2,162	-	21	34,703
Furniture and office equipment	8,368	262	-	-	8,630
Other machinery and equipment	153,574	15,224	(16,594)	894	153,098
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	194,548	28,857	(16,594)	915	207,726

32.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Sold for cash	Transfer out or destroyed or scrapped	Total dispos- als	Cash Re- ceived Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	16,804	13,813	30,617	6,495
Transport assets	12,168	4,297	16,465	6,495
Computer equipment	625	4,224	4,849	-
Furniture and office equipment	77	369	446	-
Other machinery and equipment	3,934	4,923	8,857	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	16,804	13,813	30,617	6,495

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32.3 Movement for 2009/10

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010				
	Opening bal- ance	Additions	Disposals	Closing bal- ance
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	630,346	173,436	84,211	719,571
Transport assets	89,180	50,469	62,831	76,818
Computer equipment	70,419	9,701	10,353	69,766
Furniture and office equipment	26,406	1,764	505	27,666
Other machinery and equipment	444,341	111,503	10,551	545,321
TOTAL MOVABLE TANGIBLE ASSETS	630,346	173,436	84,211	719,571

32.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011						
	Specialised military assets	Intangible as- sets	Heritage as- sets	Machinery and equipment	Biological as- sets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening bal- ance	-	897	15	201,248	12	202,172
Curr Yr adjust- ments to prior Yr balances	-	(332)	(4)	(3,442)	4	(3,774)
Additions	-	253		23,582	-	23,835
Disposals	-	10	-	3,997	-	4,007
TOTAL MINOR ASSETS	-	808	11	217,391	16	218,226

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	33,610	-	33,610
Number of minor assets at cost	-	534	22	378,848	195	379,599
TOTAL NUM- BER OF MINOR ASSETS	-	534	22	412,458	195	413,209

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MINOR ASSETS OF THE DEPARTMENT AS AT 31 MARCH 2010

	Specialised mili- tary assets	Intangible assets	Heritage as- sets	Machinery and equip- ment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Minor assets	-	897	15	201,248	12	202,172
TOTAL	-	897	15	201,248	12	202,172

	Specialised mili- tary assets	Intangible assets	Heritage as- sets	Machinery and equip- ment	Biological assets	Total
Number of R1 mi- nor assets	-	-	-	34,936	-	34,936
Number of minor assets at cost	-	1,320	24	423,031	204	424,579
TOTAL NUMBER OF MINOR AS- SETS	-	1,320	24	457,967	204	459,515

33. INTANGIBLE CAPITAL ASSETS

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Opening bal- ance	Current Year Adjust-ments to prior year balances	Additions	Disposals	Closing Bal- ance
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	1,557	(40)	-	99	1,418
OTHER INTANGIBLES	75	(75)	-	-	-
TOTAL INTANGIBLE CAPITAL AS- SETS	1,632	(115)	-	99	1,418

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33.1 Disposals

DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011				
	Sold for cash	Transfer out or destroyed or scrapped	Total dispos- als	Cash Re- ceived Actual
	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	-	99	99	-
TOTAL DISPOSALS OF INTANGIBLE CAPITAL ASSETS	-	99	99	-

33.2 Movement for 2009/10

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010				
	Opening bal- ance	Additions	Disposals	Closing bal- ance
	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	1,557	-	-	1,557
OTHER INTANGIBLES	75	-	-	75
TOTAL INTANGIBLE CAPITAL ASSETS	1,632	-	-	1,632

34. IMMOVABLE TANGIBLE CAPITAL ASSETS

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011					
	Opening bal- ance	Curr Year Adjust-ments to prior year balances	Additions	Disposals	Closing Bal- ance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUC- TURES	1,333	749	(197)	299	1,586
Non-residential buildings	1,189	804	(197)	299	1,497
Other fixed structures	144	(55)	-	-	89
TOTAL IMMOVABLE TANGIBLE CAPI- TAL ASSETS	1,333	749	(197)	299	1,586

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34.1 Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011					
	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	237,655	406	(237,655)	(603)	(197)
Non-residential buildings	237,655	406	(237,655)	(603)	(197)
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	237,655	406	(237,655)	(603)	(197)

34.2 Disposals

DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011				
	Sold for Cash	Transfer out or destroyed or scrapped	Total disposals	Cash received Actual
	R'000	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	-	299	299	-
Non-residential buildings	-	299	299	-
TOTAL DISPOSAL OF IMMOVABLE TANGIBLE CAPITAL ASSETS	-	299	299	-

34.3 Movement for 2009/10

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010				
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	1,383	150	200	1,333
Non-residential buildings	1,189	-	-	1,189
Other fixed structures	194	150	200	144
TOTAL IMMOVABLE TANGIBLE ASSETS	1,383	150	200	1,333

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35. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF DEPARTMENT	GRANT ALLOCATION						SPENT			2009/10	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by department	Amount spent by department	% of available funds spent by department	Division of Revenue Act	Amount spent by department	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Health Professional and Training Grant	117,400	-	-	-	117,400	117,400	117,400	100%	110,754	110,504	
Comprehensive HIV & AIDS Grant	433,583	-	-	4,000	437,583	437,583	388,329	89%	298,931	298,931	
Hospital Revitalization Grant	378,426	-	-	-	378,426	332,533	244,634	74%	215,156	180,119	
National Tertiary Services Grant	659,469	-	-	-	659,469	659,469	659,469	100%	642,835	627,021	
Forensic Pathology Grant	37,218	-	-	-	37,218	37,218	30,738	83%	39,890	32,696	
2010 WC Health Preparation Grant	-	1,804	-	-	1,804	1,804	1,804	100%	2,208	333	
Provincial Infrastructure Grant	90,000	-	-	-	90,000	22,500	58,344	259%	71,980	62,199	
Expanded Public Works programme	3,288	-	-	-	3,288	3,288	2,352	72%	-	-	
	1,719,384	1,804	-	4,000	1,725,188	1,611,795	1,503,070		1,381,754	1,311,803	

Transfers in terms of S13(3)(c) of the Division of Revenue Act were deposited into the primary bank account of the Province.

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36. WORLD CUP EXPENDITURE

	2010/11		2009/10
	Quantity	R'000	R'000
Tickets acquired	264	147	0
	2010/11		2009/10
	Quantity	R'000	R'000
Distribution of tickets			
Accounting Authority			
Executive	22	19	
Non-executive	242	128	
Total	264.00	147.00	-

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ANNEXURE 1A

STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2009/10
	Amount	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Motheo District – Mangaung Municipality	-	-	-	-	-	-	-	-	-	1,499
Fezile Dabi District Municipality	-	-	-	-	5,000	-	5,000	-	-	-
TOTAL	-	-	-	-	5,000	-	5,000	-	-	1,499

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ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2009/10
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Medical Trading Account – Capital Supplement	2,000	-	-	2,000	2,000	100%	2,000
	2,000	-	-	2,000	2,000		2,000

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ANNEXURE 1C

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPO- RATION/ PRIVATE ENTER- PRISE	TRANSFER ALLOCATION				EXPENDITURE				2009/10
	Adjusted Appro- piation Act	Roll Overs	Adjust- ments	Total Available	Actual Transfer	% of Available funds Trans- ferred	Capital	Current	Appro- piation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Private Enter- prises									
Transfers									
PD – Claims against the State					1,747				1,624
TOTAL					1,747				1,624

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ANNEXURE 1D

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2009/10
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Transfers to Non-Governmental Organisation	54,547	-	-	54,547	50,088	92%	54,453
Total	54,547	-	-	54,547	50,088		54,453

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ANNEXURE 1E

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2009/10
	Adjusted Appropriation Act	Roll overs	Adjust- ments	Total Available	Actual Transfer	% of Available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Leave Gratuity, Retirement and Severance packages	10,697	-	-	10,697	14,158	132%	10,700
Bursaries to non employees	18,769	-	-	18,769	20,073	107%	25,245
Total	29,466	-	-	29,466	34,231		35,945

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ANNEXURE 1F

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2010/11	2009/10
		R'000	R'000
Received in kind			
University of the Free State	Various items	6,348	14,583
Phelphepha Health	Glasses		66
Tough Guys Club	Toys		1
PEP Stores	Blankets, Shoes	17	6
MEC- Public Works	Toyota Venture		35
Childhood Cancer Foundation	Various items		47
Novartis Ashleigh Scott	Water Filter		1
Prof De Vries	Health Water Purifier		5
Nurses at theatre	LG Microwave Oven		1
Fresenius Kabi	Infusion Pump		60
Boxer Super Store	Lunch		1
Impact Hearing System	Hearing Aids	182	125
University of Free State/Carte Blanche	Various items		3,149
St. Nicholas Bana Pele	Pampers		8
Carte Blanche	Various items	1,120	1,603
Hemocuesa	Various items		13
Trinity Methodist Women	Various items		1

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NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2010/11 R'000	2009/10 R'000
International Training Education	Books		10
The Smile Foundation	Various items		341
Me. H. Barnard	Water Cooler		2
The Medical Research Council	Telemedicine Workstation		550
Eddeis Power Tools	Measure Tape		1
Hamilton Hydraulic Services	Various items		163
Various Sponsors	Various items		4
Roche Products	Blood Glucose		5
Matron Mabandla	AIM Microwave Oven		1
Bloemfontein Celtic Football Club	Various items		3
Elizabeth Glazier Paediatric	Various items	813	676
The Right to Care	Various items	506	
Mr A Kelderman	2 DVD Players	2	
Windmill Casino and Entertainment Centre	Various items	2,138	
Rotary Anns Club and the Dutch Reformed Church	Various items	4	
Ellerines Furniture	TV Sets	3	
The Ukweza Holdings Pty Ltd & Sun Cleaning	Food	9	
Hoogland Medi Clinic	4 Hospital Beds	8	
The Respiratory Care African Pty Ltd	Bubble Cpap & Incubator	100	
The Hadley Goliath	Television, Play Station and Games	5	
The Dutch Reformed Church	Baby necessities	11	
The Bureau for the Blindness	50 cataract operations	70	
MSH/SPS	Various items	20	
Respiratory Care	Various items	2	
Mr C Coetzee	Microwave	1	
Welkom Medi-Clinic	35 Drip Stands	7	
Mafura Infrastructure	3 Cows	30	
Path Care	Comfort Packs	4	
IDC	Statscan Machine	3,091	
TOTAL		14,491	21,461

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ANNEXURE 1G

STATEMENT OF AID ASSISTANCE RECEIVED

Name of Donor	Purpose	Opening Balance	Revenue	Expenditure	Closing Balance
		R'000	R'000	R'000	R'000
Received in cash					
Ireland	Support to Primary Health Care Delivery and Capacity Building fund.	115	-	104	11
Global AIDS	To develop and strengthen the TB and HIV & AIDS data monitoring at District level in the Free State Province.	137	-	114	23
HWSETA	Skills development of employed and unemployed individuals through Learnerships, bursaries and internships.	70	-	52	18
EU PDPHCP	To develop and strengthen co-operation between NGO's and the Department of Health	5,615	18,372	8,773	15,214
Total		5,937	18,372	9,043	15,266

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ANNEXURE 1H

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2010/11	2009/10
	R'000	R'000
Paid in cash		
Free State Psychiatric Complex	-	1
TOTAL	-	1

ANNEXURE 2A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2011 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2010	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2011	Guaranteed interest for year ended 31 March 2011	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Housing									
Standard Bank	1	30	30	-	-	-	30	-	-
Nedbank Limited	5	135	135	-	116	-	19	-	-
FNB-Firststrand Bank	21	403	403	-	113	-	290	-	-
First Rand Bank – former FNB	4	102	102	-	28	-	74	-	-
ABSA	22	553	553	-	31	-	522	-	-
Unique Finance	4	42	42	14	13	-	43	-	-
Peoples Bank	3	40	40	16	26	-	30	-	-
Old Mutual – Division of Nedbank	20	388	388	-	333	-	55	-	-
Free State Development Corporation	33	741	741	-	-	-	741	-	-
Hlano Financial Services	3	17	17	-	415	-	(398)	-	-
Green Start	5	129	129	-	-	-	129	-	-
Nedbank Ltd Incorporating NBS	1	17	17	11	-	-	28	-	-
Total		2,597	2,597	41	1,075	-	1,563	-	-

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ANNEXURE 2B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2011

Nature of Liability	Opening Balance 1 April 2010	Liabilities in- curred during the year	Liabilities paid/ cancelled/re- duced during the year	Liabilities re- coverable (Pro- vide details hereunder)	Closing Balance 31 March 2011
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Medico Legal Claims Received Pending	25,482	20,226	5,485	-	40,223
Claims against the State that has not been settled	2,540	1,905	924	-	3,521
Subtotal	28,022	22,131	6,409	-	43,744
Other					
Cash Bonus	11,543	-	11,543	-	-
Subtotal	11,543	-	11,543	-	-
TOTAL	39,565	22,131	17,952	-	43,744

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ANNEXURE 3

CLAIMS RECOVERABLE

Government Entity	Confirmed balance out-standing		Unconfirmed balance out-standing		Total	
	31/03/2011	31/03/2010	31/03/2011	31/03/2010	31/03/2011	31/03/2010
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
South African Policed Service			9	9	9	9
FS Department of Public Works and Rural Development				415	-	415
Department of Health: Northern Cape			4,502	-	4,502	-
TOTAL	-	-	4,511	424	4,511	424

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ANNEXURE 4

INTER-GOVERNMENT PAYABLES

Government Entity	Confirmed Balance Outstanding		Unconfirmed Balance Outstanding		Total	
Departments	31/03/2011	31/03/2010	31/03/2011	31/03/2009	31/03/2011	31/03/2010
Current	R'000	R'000	R'000	R'000	R'000	R'000
Public Works, Roads and Transport Free State	-	-	3,175	36,033	3,175	36,033
Office of the Premier	19	32	143	-	162	32
Free State Government Garage	3,888	-	2	5,053	3,890	5,053
National Department of Defence	-	-	-	304	-	304
National Department of Public Works	-	-	-	415	-	415
Department of Social Development	-	1	-	-	-	1
South African Police Service	9	-	-	-	9	-
PALAMA	-	-	114	-	114	-
Free State Agriculture & Rural Development	10	-	-	-	10	-
FSPG Department of Education	15	-	-	-	15	-
FSPG Corporate Governance & Traditional Affairs	7	-	-	-	7	-
Department of Health North West Province	60	-	-	-	60	-
Total	4,008	33	3,434	41,805	7,442	41,838

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ANNEXURE 5

INVENTORY

Inventory	Note	Quantity	2010/11	Quantity	2009/10
			R'000		R'000
Opening balance		4,598	61,652	4,588	51,124
Add/(Less): Adjustments to prior year balance		(308)	(1,436)	(114)	(326)
Add: Additions/Purchases - Cash		17,372	379,561	15,411	354,208
Add: Additions - Non-cash		563	1,119	576	5,519
(Less): Disposals		-	(11)	(9)	(230)
(Less): Issues		(16,252)	(356,643)	(15,533)	(349,798)
Add/(Less): Adjustments		(188)	59,283	(321)	(1,155)
Closing balance as per LOGIS		5,785	143,525	4,598	61,652
Closing balance as per medication at Hospitals and Clinics			143,528		91,813
Closing balance as per Medical Consumables at Districts			97,740		2,725
Total			384,793		156,190

Central Medical Trading Account
STATEMENT OF FINANCIAL POSITION
as at 31 March 2011

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REPORT OF THE AUDITOR-GENERAL TO THE FREE STATE LEGISLATURE ON CENTRAL MEDICAL TRADING ACCOUNT

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Central Medical Trading Account, which comprise the statement of financial position as at 31 March 2011, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and the accounting officer's report as set out on pages 175 to 193.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Statements of Generally Accepted Accounting Practice (SA Statements of GAAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with International Standards on Auditing and *General Notice 1111 of 2010* issued in *Government Gazette 33872 of 15 December 2010*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

7. In my opinion, the financial statements present fairly, in all material respects, the financial position of Central Medical Trading Account as at 31 March 2011 and its financial performance and cash flows for the year then ended in accordance with the SA Statements of GAAP and the requirements of the PFMA.

Emphasis of matters

8. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Restatement of corresponding figures

9. As disclosed in note 19.2 to the financial statements, the corresponding figures for 31 March 2010 have been restated, as a result of an error discovered during the 2010-11 financial year, in the financial statements of the trading entity at, and for the year ended, 31 March 2010.

Irregular expenditure

10. The trading entity incurred irregular expenditure of R1 783 535, as the expenditure incurred was in contravention of paragraph 4 of Regulation R725, dated 10 August 2001, issued in terms of the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) and paragraph 2.8.1 of the Supply Chain Management Delegations of the Department of Health relating to supply chain management.

Fruitless and wasteful expenditure

11. The trading entity incurred fruitless and wasteful expenditure of R201 372 because the logistical function was outsourced, while appropriate staff were available within the organisation.

Trade and other receivables

12. The trading entity disclosed in note 4 to the financial statements that trade receivables, which are more than 30 days past due are not considered for impairment as the Department of Health is the major client of the trading entity and has no history of default. Any delay in payments is due to payment procedures at year-end.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

13. In accordance with the PAA and in terms of *General Notice 1111 of 2010*, issued in *Government Gazette 33872 of 15 December 2010*, I include below my findings on the annual performance report as set out on pages 172 to 173 and material non-compliance with laws and regulations applicable to the trading entity

Predetermined objectives

14. I could not conduct the audit of performance against predetermined objectives as the trading entity did not submit the annual performance report as required by section 55(2)(a) of the PFMA, as the predetermined objectives of the trading entity are included in the annual performance report of the Department of Health and any findings will be reported in the audit report of the department.

Compliance with laws and regulations

Strategic planning and performance management

15. Evidence that a health and safety committee has been properly established in terms of the Occupational Health and Safety Act, 1993 (Act No. 85 of 1993) could not be submitted.

Annual financial statements, performance and annual report

16. The accounting officer submitted financial statements for auditing that were not prepared in all material aspects in accordance with the SA Statements of GAAP as required by section 40(1) of the PFMA. The material misstatements identified by the AGSA, were subsequently corrected.

Internal audit

17. Contrary to the requirements of section 38(1) of the PFMA, during the year certain senior positions were vacant in the internal audit unit, which had a negative impact on service delivery by the internal audit unit.

Asset management

18. The accounting officer did not ensure that an approved depreciation policy exist, in terms of section 40(1)(a) of the PFMA.

Budget

19. The accounting officer did not declare the surplus of the trading entity to the provincial treasury in terms of Treasury Regulation 19.7.1.

Human resource management and compensation

20. In terms of section 38(1)(b) and (c)(iii) of the PFMA the accounting officer did not ensure that an effective, efficient and economical use of the resources occurred as several senior vacancies were found on a job grade of 8 and higher at the trading entity.

Expenditure management

21. Payments due to creditors were not always settled within 30 days from receipt of an invoice as per the requirements of section 38(1)(f) of the PFMA and Treasury Regulation 8.2.3
22. The accounting officer did not ensure that an effective, efficient and transparent system of financial management and internal control was maintained, in terms of section 38(1) of the PFMA, as no monthly creditors' reconciliations were done throughout the financial year.
23. The accounting officer did not take effective steps to prevent irregular expenditure, as per the requirements of section 38(1)(c)(ii) of the PFMA.

INTERNAL CONTROL

24. In accordance with the PAA and in terms of *General Notice 1111 of 2010*, issued in *Government Gazette 33872 of 15 December 2010*, I considered internal control relevant to my audit, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the deficiencies identified during the audit.

Leadership

25. The accounting officer does not exercise continuous oversight responsibility over compliance with laws and regulations and the monitoring of the effectiveness of internal control measures, at the trading entity.
26. No service level agreements and lease agreements were obtained in respect of the distribution of medicines, the lease of government buildings and the IT service delivery to end-users, due to a lack of oversight by management.

Financial and performance management

27. The financial statements were subjected to material corrections resulting from the audit process, which are attributable to weaknesses in the design and implementation of internal control in respect of financial management and financial reporting and weaknesses in the information systems of the trading entity.
28. Monthly reconciliations between the inventory and the accounting system, were not done in all instances.

29. Furthermore, the lack of history reports on the inventory system resulted in a lack of supervision and monitoring by management in the payables, sales and inventory systems.

Governance

30. The trading entity's governance structures have been established and efforts have been made to enhance the resources within these divisions although with minimal impact in the financial year under review due to these structures, which were not fully capacitated throughout the year.
31. The position of the Chief Audit Executive (CAE) has been filled during the year under review, which enhanced the operations of the unit in providing adequate strategic direction and the necessary guidance. However, the unit still had vacancies in critical positions, which limit the work they are able to perform and its impact in contributing to an improved control environment of the trading entity.

AUDITOR-GENERAL

Bloemfontein
29 July 2011



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Central Medical Trading Account
STATEMENT OF FINANCIAL POSITION
as at 31 March 2011

	<i>Note</i>	2010/11 R'000	2009/10 R'000 (Restated)
ASSETS			
Non current assets			
Property, plant and equipment	2	1,429	1,499
Current assets			
Inventory	3	48,709	35,736
Trade and other receivables	4	45,877	55,146
Cash and cash equivalents	5	4,786	3,272
TOTAL ASSETS		100,801	95,653
EQUITY			
Capital and reserves			
Accumulated surplus		65,428	43,928
TOTAL EQUITY		65,428	43,928
LIABILITIES			
Non current liabilities			
Bridging finance from Provincial Revenue Fund	6	-	-
Current liabilities			
Trade and other payables	7	35,373	51,725
TOTAL LIABILITIES		35,373	51,725
TOTAL EQUITY AND LIABILITIES		100,801	95,653

Central Medical Trading Account
STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2011

	<i>Note</i>	2010/11 R'000	2009/10 R'000
Revenue		387,875	363,615
Cost of sales		(346,212)	(345,613)
Gross profit		41,663	18,002
Other income	8	8,788	9,711
Administrative expenses	9	(17,742)	(13,474)
Other operating expenses	10	(11,622)	(10,496)
Operating profit/(loss)		21,087	3,743
Finance income	11	413	705
Net profit for the year		21,500	4,448

Central Medical Trading Account
STATEMENT OF CHANGES IN NET ASSETS
as at 31 March 2011

	<i>Note</i>	Accumulated Surplus R'000	Total R'000
Accumulated surplus			
Opening balance as restated		39,315	39,315
Opening balance as at 1 April 2009		38,928	38,928
Prior year errors correction	19.1	387	387
Transfers to/(from) reserves	20	109	109
Net profit for the year		4,448	4,448
Closing balance as at 31 March 2010		43,872	43,872
Opening balance as restated		43,928	43,928
Opening balance as at 1 April 2010		43,872	43,872
Prior year errors correction	19.2	56	56
Net profit for the year		21,500	21,500
Closing balance as at 31 March 2011		65,428	65,428

**Central Medical Trading Account
CASH FLOW STATEMENT
for the year ended 31 March 2011**

	<i>Note</i>	2010/11 R'000	2009/10 R'000
Cash flows from operating activities			
Cash receipts from customers		401,256	416,662
Cash paid to suppliers and employees		(392,192)	(400,786)
Net cash/(cash deficit) generated from operating activities	12	9,064	15,876
Finance income		413	705
Net cash inflows/outflows from operating activities		9,477	16,581
Cash flows from investing activities			
Purchase of property, plant and equipment		(298)	(135)
Proceeds from the sale of assets		-	-
Net cash flows from investing activities		(298)	(135)
Cash flows from financing activities			
			-
Prior year errors and reclassification		-	-
Bridging finance transferred to non-current liabilities		-	-
Repayment of bridging finance from Treasury		(7,665)	(15,330)
Net (decrease)/increase in cash and cash equivalents		1,514	1,116
Cash and cash equivalents at the beginning of the year		3,272	2,156
Cash and cash equivalents at the end of the year	5	4,786	3,272

Central Medical Trading Account
NOTES OF THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these annual financial statements, which are consistent with those of the previous year, are set out below:

1.1 Basis of Preparation

The financial statements are prepared in accordance with, and comply in all material respects with applicable South African Statements of Generally Accepted Accounting Practice and Public Finance Management Act No. 1 of 1999 (PFMA).

The financial statements are prepared under the historical cost convention, except where otherwise stated, and on the going concern basis. Management has concluded that the financial statements fairly present the enterprise's position, financial performance and cash flow information.

The accounting policies adopted are consistent with those of the previous financial year except as follows:

- IFRIC 11/IFRS 2 - Group and Treasury Share Transactions
- IFRIC 12 – Service Concession Arrangements
- IFRIC 14/IAS19 – The limit on a defined benefit asset, Minimum Funding Requirements and their Interaction.

The entity has also early adopted the following new and amended IFRS and IFRIC interpretations during the year:

- IFRS 2 – Share-Based Payment (Revised) effective 1 January 2009.
- IFRS 8 – Operating Segments effective 1 January 2009.
- IAS 23 – Borrowing Costs (Revised) effective 1 January 2009.
- IFRIC 13 – Customer Loyalty Programmes effective 1 July 2008.

Adoption of these revised standards and interpretations did not have any effect on the financial performance or position of the Central Medical Trading Account.

The principal effects of these changes are as follows:

IFRIC 11 IFRS 2 - Group and Treasury Share Transactions

The IFRIC Interpretation 11 applies to consolidated financial statements. This interpretation requires arrangements whereby an employee is granted rights to an entity's equity instruments to be accounted for as an equity-settled scheme, even if the entity buys the instruments from another party, or the shareholders provide the equity instruments needed. The changes had no impact on the financial position or performance of the Central Medical Trading Account.

IFRIC 12 – Service Concession Arrangements

The IFRIC issued IFRIC 12 in November 2006. This interpretation applies to service concession operators and explains how to account for obligations undertaken and rights received in service concession arrangements. The Central Medical Trading Account is not an operator and, therefore, this interpretation has no impact on the entity.

IFRIC 14/IAS 19 – The limit on a defined benefit asset, Minimum Funding Requirements and their Interaction

IFRIC 14 provides guidance on how to assess the limit on the amount of surplus in a defined benefit scheme that can be recognised as an asset under IAS 19 Employee Benefits. In our case, the plan is characterised as a state plan in terms of IAS 19, any potential liabilities are disclosed in the financial statements of the Government Employees Pension Fund and not in the financial statements of the employer. Therefore, these changes had no impact on the financial position or performance of the Central Medical Trading Account.

Central Medical Trading Account
NOTES OF THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011

IFRS 2 – Share-based Payment (Revised)

The IASB issued an amendment to IFRS 2 in January 2008 that clarifies the definition of a vesting condition and prescribes the treatment for an award that is effectively cancelled. The changes had no impact on the financial position or performance of the Central Medical Trading Account.

IFRS 8 – Operating Segments

This standard requires disclosure of information on the entity's operating segments and replaced the requirement to determine primary (business) and secondary (geographical) reporting segments of the entity. The changes had no impact on the financial position or performance of the Central Medical Trading Account.

IAS 23 – Borrowing Costs (Revised) effective 1 January 2009

The revised IAS 23 requires capitalisation of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. The changes had no impact on the financial position or performance of the Central Medical Trading Account.

IFRIC 13 – Customer Loyalty Programmes effective 1 July 2008

The IFRIC issued IFRIC 13 in June 2007. This interpretation requires customer loyalty credits to be accounted for as a separate component of the sales transaction in which they were granted. A portion of the fair value of the consideration received is allocated to the award credits and deferred. This is then recognised as revenue over the period that the reward credits are redeemed. The changes had no impact on the financial position or performance of the Central Medical Trading Account.

1.2 Inventory

Inventory is stated at the lower of cost and net realisable value, making provision for obsolescence or lack of sale ability. Cost is determined by the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses.

1.3 Impairment of Non-financial Assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

1.4 Fair Value Estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the group is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Central Medical Trading Account uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Central Medical Trading Account for similar financial instruments.

Central Medical Trading Account
NOTES OF THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011

1.5 Financial Assets

Classification of financial assets depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets on initial recognition.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables comprised trade and other receivables and cash and cash equivalents in the balance sheet.

1.6 Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivable are established when there is objective evidence that the Central Medical Trading Account will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within selling and marketing costs. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against selling and marketing costs in the income statement.

The Central Medical Trading Account is part of the Free State Department of Health (FSDOH) and the FSDOH is the major client of the Central Medical Trading Account. FSDOH takes full responsibility for the outstanding debt to the Central Medical Trading Account and the provision for bad debts in the trading account.

1.7 Cash and Cash Equivalents

Cash is carried in the balance sheet at fair value. For the purposes of the cash flow statement, cash and cash equivalents comprise of cash on hand and a current deposit held with First National Bank until 30 October 2010 and Standard Bank with effect from 01 November 2011.

1.8 Trade and other payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Trade and other payables which are payable later than one year are classified and disclosed under non current liabilities.

1.9 Revenue Recognition

Revenue is recognised at fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the entity's activities.

Revenue comprises the following:

- Sale of goods
- Interest
- Transfers and subsidies

Central Medical Trading Account
NOTES OF THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011

Revenue from sale of goods is recognised when:

Significant risk and rewards of ownership associated with ownership of goods are transferred to the buyer, the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the cost incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the entities reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate of the instrument, and continue unwinding the discount as interest income.

Revenue from transfers and subsidies to which conditions are attached are recognised as revenue in the Statement of Financial Performance to the extent that the trading entity has complied with its strategic objectives set by the department. To the extent that the strategic objectives have not been met, a liability is raised in the Statement of Financial Position.

1.10 Employee Benefits

Short-term employee benefits

The Central Medical Trading Account recognises the expected cost of leave and service payment when and only when:

the entity has a present legal or constructive obligation to make such payment as a result of past events; and a reliable estimate of the obligation can be made.

Termination benefits

The Central Medical Trading Account shall recognise termination benefits as a liability and an expense when, and only when, the entity is demonstrably committed to provide termination benefits as a results of an offer made in order to encourage voluntary redundancy.

Retirement benefits

The Central Medical Trading Account provides retirement benefits for its employees through a defined benefit plan for government employees. The plan is characterised as a state plan in terms of IAS 19. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when money is paid to the fund. No provision is made for retirement benefits in the financial statements of the Central Medical Trading Account. Any potential liabilities are disclosed in the financial statements of the Government Employees Pension Fund and not in the financial statements of the employer.

Medical benefits

The Central Medical Trading Account provides medical benefits for its employees through defined contribution plans. These benefits are funded by employer and employee contributions. Employer contributions to the fund are expensed when money is paid to the fund. A liability is raised for outstanding medical contributions at year end.

Post retirement medical benefits for retired civil servants are expensed when the payment is made to the fund.

1.11 Property, Plant and Equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation. Assets with a cost higher than R5 000 are capitalised. Assets with a cost less than R5 000 are capitalised and written off in the same year.

Depreciation is calculated on the straight-line method to write off the cost to their estimated useful lives as follows:

Central Medical Trading Account
NOTES OF THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011

Transport assets:	5 years
Computer:	3 years
Furniture and office equipment:	5 years
Other machinery:	5 years

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down to its recoverable amount. The reduction is an impairment loss. Impairment losses are recognised in profit or loss, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other (losses)/gains-net, in the income statement.

Leasehold Improvements

Leasehold Improvements are capitalised at cost. Grants received for utilising on Leasehold Improvements are deducted from the cost incurred in arriving at the carrying amount of the asset.

1.12 Financial Instruments

Financial instruments carried on the balance sheet include cash, receivables and trade creditors. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Financial Risk Factors:

The group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

Market Risk:

i. Cash flow and fair value interest rate risk

The Central Medical Trading Account is not subject to interest rate risks due to the fact that no interest are paid on the bridging finance received from Treasury and no interest are levied or paid on any other outstanding debt. Changes in interest rates will therefore not affect the profit/loss of the Central Medical Trading Account.

ii. Price risk

The Central Medical Trading Account provides medicines and medical consumables to the Free State Department of Health, which is their major client. The Central Medical Trading Account providing the goods at cost plus a 7% levy. A 5% levy is charged for direct deliveries. Price increases from suppliers will not decrease the profitability of the Central Medical Trading Account as the fixed levy of 7% and 5% respectively is charged on the cost of sales to the Free State Department of Health.

Credit Risk:

The Free State Department of Health is the major client of the Central Medical Trading Account. The credit risk is limited by the budget policy of the Department of Health. Payments are made regularly within 30 days.

Liquidity Risk:

The Central Medical Trading Account is not subject to liquidity risk due to the fact that the Free State Department of Health is the major client of the Central Medical Trading Account and all payments from the FS DOH are received regularly within 30 days. No interest is paid on bridging finance received from Government and no interest is charged on outstanding debt. No other external sources impacts on the liquidity risk of the Central Medical Trading Account. Therefore sufficient cash flow is available for the payment of creditors.

Central Medical Trading Account
NOTES OF THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011

The table below analyses the Central Medical Trading Account's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 March 2011	Less than 1 year	Later than 1 year
	R'000	R'000
Trade and other payables	R35,373	R nil

1.13 Operating Leases

Lease payments under an operating lease are recognised as an expense on a straight line basis over the lease term.

1.14 Related Party

A party is related to the Central Medical Trading Account if directly or indirectly through one or more intermediaries, the party:

- controls, is controlled by, or is under control with the Central Medical Trading Account
- has an interest in the entity that gives it significant influence over the Central Medical Trading Account.

1.15 Grants Received

Unconditional

Grants received to utilise for operating expenditure are recognised as income.

Conditional

Amounts utilised from grants received related to assets are deducted from the asset in arriving at the carrying amount of the asset.

1.16 Irregular Expenditure

Irregular expenditure occur when expenditure is incurred in contravention with of or that is not in accordance with a requirement of any applicable legislation including the PFMA and non compliance with one or more of the entity's supply chain procedures.

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

1.17 Fruitless and wasteful expenditure

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

Fruitless and wasteful expenditure is recognised as expenditure in the statement of financial performance according to the nature of the payment and not as a separate line item on the face of the statement. If the expenditure is not condoned by the accounting officer, it is treated as an asset until it is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

Central Medical Trading Account
NOTES OF THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011

2. Property, Plant and Equipment	Leasehold Im- provements	Transport as- sets	Computer equipment	Furniture-, office equip- ment and other machin- ery and equip- ment	Total
	R'000	R'000	R'000	R'000	R'000
Year ended 31 March 2010					
Opening carrying amount	-	205	1,405	122	1,732
Donated assets	-	-	-	-	-
Additions	-	-	113	22	135
Depreciation charge	-	{81}	(244)	(43)	(368)
Depreciation on assets written off in the previous year	-	-	-	-	-
Closing carrying amount	-	125	1,274	101	1,499
At 31 March 2010					
Cost	6,962	499	2,548	1,243	11,252
Accumulated depreciation	-	(375)	(1,274)	(1,142)	(2,791)
Amount utilised from grant for lease- hold improvement	(6,962)	-	-	-	(6,962)
Carrying amount	-	125	1,274	101	1,499
Year ended 31 March 2011					
Opening carrying amount	-	125	1,274	101	1,499
Donated assets	-	-	-	-	-
Additions	-	-	283	14	297
Depreciation charge	-	(75)	(233)	(59)	(367)
Depreciation on assets written off in the previous years	-	-	-	-	-
Closing carrying amount	-	49	1,324	56	1,429
At 31 March 2011					
Cost	6,962	499	2,832	1,257	11,550
Accumulated depreciation	-	(450)	(1,508)	(1,201)	(3,159)
Amount utilised from grant for lease- hold improvement	(6,962)	-	-	-	(6,962)
Carrying amount	-	49	1,324	56	1,429

Central Medical Trading Account
NOTES OF THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011

The computer equipment to be value of R1 034 000 was purchased during the financial year 2008/09 for the implementation of new Drug Supply Management System, these assets were not yet ready for usage since awaiting the implementation. The value of that computer equipment has been included to the cost of computer equipment shown above. The opening balances of accumulated funds and accumulated depreciation in respect of computer equipment for the year 2009/2010 were restated due to incorrect depreciation during the financial year 2008/09. Refer to Note 18.1 for the disclosure showing the financial impact thereof.

	<i>Note</i>	2010/11 R'000	2009/10 R'000
3. Inventory			
Medical inventory		42,474	30,778
Consumables		5,688	4,383
Hospital stationery		547	575
		48,709	35,736

4. Trade and other receivables

Trade receivables	4.1	45,711	54,985
Interest receivable	4.1	52	44
Staff debtors		99	130
Salary debt		15	(13)
Other		-	-
		45,877	55,146

Trade receivables that are more than 30 days past due is not considered impaired. Payments are made regularly within 30 days from the Free State Department of Health, the major client of MEDPAS. Although, some amounts are outstanding for more than 30 days, the Free State Department of Health has no history of default and late payment in certain instances is due to payment procedures at year-end of the Free State Department of Health.

4.1 Trade Receivables

Trade receivables at amortised cost	46,269	56,153
Less: Adjustment for deferred payment terms	(506)	(1,168)
Trade receivables after deferred payment terms have been taken into account	45,763	54,985

The adjustment for deferred payment terms are based on cash flows adjusted using the prime interest rate of 8.50% as at 31 March 2011.

Central Medical Trading Account
NOTES OF THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011

	<i>Note</i>	2010/11 R'000	2009/10 R'000
5. Cash and cash equivalent			
Bank current account		4,783	3,271
Cash on hand		3	1
		4,786	3,272
6. Bridging finance from Provincial Revenue Fund			
Opening balance		-	7,665
Current portion disclosed under trade and other payables		-	(7,665)
Closing balance		-	-

The amount of R7 665 000 from the Provincial Revenue Fund is the bridging finance loan provided by the Provincial Treasury. The amount carried no interest and was refundable on request. The initial capital amount from Provincial Treasury was R22 995 000, it was requested that the amount to be repaid in three instalments beginning from the year 2008/2009 and the last payment would be in October 2010. The final balance of R7 665 000 was settled during the current financial year as agreed.

7. Trade and other payables

Trade payables	7.1	33,270	41,568
Sundry creditors	7.1	4	836
Grants received from Provincial Treasury	7.2	-	-
Leave accrual		1,641	1,326
Service bonus accrual		458	330
Bridging finance received from the Provincial Revenue Fund		-	7,665
		35,373	51,725

The amount of R7 665 000 from the Provincial Revenue Fund was the bridging finance loan provided by the Provincial Revenue Fund. The amount carried no interest and was refundable on request. The Provincial Revenue Fund had requested the amount to be repaid on instalments of which the last payment would be in June 2010. The final balance of R7 665 000 was settled during the current financial year as agreed and further details are disclosed in note 6 above.

7.1 Trade payables and sundry creditors

Trade payables and sundry creditors at amortised cost	33,507	42,805
Less: Adjustment for deferred payment terms	(233)	(401)
Trade payables and sundry creditors after deferred payment terms		
have been taken into account	33,274	42,404

Central Medical Trading Account
NOTES OF THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011

	<i>Note</i>	2010/11 R'000	2009/10 R'000
The adjustment for deferred payment terms are based on cash flows adjusted using the prime interest rate of 8.50% as at 31 March 2011.			

7.2 Grant received from Provincial Treasury - Profit

Opening Balance	-	109
Transfer to accumulated funds	-	(109)
Closing Balance	-	-

The surplus of MEDPAS for the 2003/2004 financial year was approved by Provincial Revenue Fund to be utilised for Leasehold Improvements instead of paying it back to the Provincial Revenue fund. The funds were spent on Leasehold Improvements during the 2005/2006 and 2006/2007 financial years; however, the remaining amount was treated as payable to Provincial Revenue Fund and the balance was reclassified and transferred to Accumulated funds.

8. Other income

Inventory surplus	1,815	626
Sundries	24	50
Commission received	-	-
Donated Assets	-	-
Notional interest – deferred payment terms on receivables	4,949	7,035
Government grant	2,000	2,000
	8,788	9,711

9. Administrative expenses

Staff costs	13,657	10,450
- Salaries and wages	12,868	9,758
- Social contributions	789	692
Communication	215	215
Computer Services	1,407	1,205
Audit Fees	2,056	1,167
Bursaries (employees)	2	-
Printing and Stationery	287	225
Other administrative costs	118	211
	17,742	13,474
Average number of persons employed	71	67

Central Medical Trading Account
NOTES OF THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011

	<i>Note</i>	2010/11 R'000	2009/10 R'000
10. Other operating expenses			
Operating lease expenditure		7	263
Repairs & maintenance		128	98
Security		380	380
Municipal services and levies		1,203	832
Consumables		255	250
10. Other operating expenses (continued)			
Professional services		3,244	4,090
Depreciation		367	369
Notional interest – deferred payment terms on payables		3,344	3,263
Sundry expenses		225	40
Stock shortages written off		2,460	912
Assets below the capitalisation thresh-hold		9	0
		11,622	10,496
11. Finance income			
Finance income:			
Finance income – Interest income on short term bank deposits		413	705
		413	705
12. Cash/ (cash deficit) generated from operations			
Net profit		21,500	4,446
Adjusted for:		(46)	(337)
Finance income		(413)	(705)
Depreciation		367	368
Donated assets recognised		-	-
Changes in working capital		(12,390)	11,767
Decrease/(increase) in inventories		(12,973)	(7,979)
Decrease/(increase) in trade receivables		9,930	44,845
Increase/(decrease) in trade payables		(9,347)	(25,099)
		9,064	15,876

Central Medical Trading Account
NOTES OF THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011

	<i>Note</i>	2010/11 R'000	2009/10 R'000
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13. Related party transactions

13.1 The Central Medical Trading Account provides medicines and medical consumables to the Department of Health at cost plus 7%. A 5% levy is charged for direct deliveries.

Revenue received/ (paid)

Sale of goods and services other than capital assets	390,548	371,817
Total	390,548	371,817

The amount reflected above does not agree with the revenue amount in the income statement as the amounts in the income statement reflect the net revenue after discounting of sales and receivables was applied.

The balance between the Central Medical Trading Account and the Related Party, is as follows:

Receivables from related party	45,374	56,153
Total	45,374	56,153

The debit balance of R 45,374 million as reflected above is disclosed before deferred payment terms was taken into account.

13.2 The Provincial Revenue Fund provided bridging finance loan to the Central Medical Trading Account. Refer to note 6 for the terms and conditions of repayment.

13.3 Key Management Compensation

The Central Medical Trading Account and Department of Health have the same key management. Refer to note 29 in the financial statements of the Department of Health for details on the remuneration of key management.

14. Operating leases

Operating lease expenditure	7	263
Minimum lease payments within the next 12 months	-	6
Amounts payable later than one year	-	-
	-	6

The above operating lease expenditure consists of:

- Lease of a photocopier for a period of three years. The lease commenced in February 2008 and expired in January 2011.

Central Medical Trading Account
NOTES OF THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011

15. Irregular expenditure

	<i>Note</i>	2010/11 R'000	2009/10 R'000
15.1 Reconciliation of irregular expenditure			
Opening balance		-	-
Irregular expenditure – current year		1,797	-
Irregular expenditure condoned		(13)	-
Transfer to receivables for recovery		-	-
Irregular expenditure awaiting condonement		1,784	

15.2 Analysis of irregular expenditure

Incident	Disciplinary steps taken/ criminal procedures
1) The Central Medical Trading Account obtained distribution services from Fleet Management Entity for the period 01 August 2010 to 30 June 2011, in order to finalise the three year contract. A competitive bidding process was not followed for arrangement and service level agreement was not agreed upon. The irregular expenditure amounted to R1,784 million.	<i>Awaiting condonement</i>
2) The Central Medical Trading Account did not utilise the existing contract for the maintenance of warehouse central air conditioning system. However, quotations were obtained for this service. The irregular expenditure amounted to R13 000.	<i>Condoned by Head of department</i>

Central Medical Trading Account
NOTES OF THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011

16. Fruitless & Wasteful expenditure

	<i>Note</i>	2010/11 R'000	2009/10 R'000
16.1 Reconciliation of fruitless and wasteful expenditure			
Opening balance		-	-
Fruitless and wasteful expenditure – current year		204	-
Fruitless and wasteful expenditure condoned		(3)	-
Transfer to receivables for recovery		-	-
Fruitless and wasteful expenditure awaiting condonement		201	-

16.2 Analysis of Fruitless and wasteful expenditure

Incident	Disciplinary steps taken/ criminal proce- dures
1) The Central Medical Trading Account obtained distribution services from Fleet Management Entity for the period 01 August 2010 to 30 June 2011, in order to finalise the three year contract. The Fleet Management Entity billed the Central Medical Trading Account an amount of R201 000 for administrative services. As a result, the fruitless and wasteful expenditure amounted to R201 000.	<i>Awaiting con- donement</i>
2) 2) The Central Medical Trading Account was charged interest amount to R3 000 by Auditor General for not settling the audit fees within 30 days. As a result, the fruitless expenditure amounted to R3 000.	<i>Condoned by Head of depart- ment</i>

17. Employee benefits

Retirement Benefits

The Central Medical Trading Account's retirement benefits are provided by a defined benefit plan. Sufficient information to account for the plan as a defined benefit plan is not available. The fund to which the contributions are made is a Public Fund and therefore no sufficient information is available. Any potential liabilities are disclosed in the financial statements of the Government Employees Pension Fund and not in the financial statements of the Central Trading Account.

Central Medical Trading Account
NOTES OF THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011

18. Expenses by nature

	2010/11 R'000	2009/10 R'000
Cost of sales	346,211	345,613
Employee benefit expense	13,657	10,450
Operating lease expenditure	7	263
Professional services	3,244	4,090
Depreciation	367	369
Stock shortages	2,460	912
Computer services	1,407	1,205
Audit fees	2,056	1,167
Printing & stationery	287	225
Notional interest – deferred payment terms on payables	3,344	3,263
Other expenses	2,527	2,027
Total cost of sales, other costs and administrative expenses	375,567	369,584

19. Correction of prior year error

19.1 Depreciation on assets not yet ready for usage

Other operating expenses - depreciation	387
Accumulated depreciation on computer equipment	(387)
Net profit of the year 2008/09	387
Net effect on accumulated surplus	387

The computer equipment to the value of R1 034 000 was purchased during the financial year 2008/09 for the implementation of new Drug Supply Management System, these assets were not yet ready for usage since awaiting the implementation. The value of that computer equipment has been included to the cost of computer equipment shown above. The opening balances of accumulated funds and accumulated depreciation in respect of computer equipment for the year 2009/2010 were restated due to incorrect depreciation during the financial year 2008/09.

19.2 Staff debts written off and intra-departmental claim

Trade and other payables - rounding off error on provisions	1	-
Trade and other receivables – staff debts written off	(5)	-
Trade and other receivables – salary paid to FSDoH personnel	60	-
Net effect on accumulated surplus	56	-

**Central Medical Trading Account
NOTES OF THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011**

Staff debts amounting to R5 000 were found to be irrecoverable during 2009/10, and were subsequently written off against the accumulated profits.

During the year 2009/10, one official was earmarked for transfer from the department to Central Medical Trading Account, but the transfer did not take place as intended. One month salary was paid from Central Medical Trading Account; it was then recorded as debt and recovered during current year.

20. Prior year reclassifications

20.1 Accumulated profits

The amount of R109 000 which was disclosed under trade and other payables was transferred to other reserve. The closing balance of R109 000 above will be surrendered to the Provincial Revenue Fund, when requested. The grant consists of the profit of MEDPAS for the 2003/2004 financial year. Provincial Treasury approved that the profit can be utilised for Leasehold Improvements instead of paying it back to the Provincial Revenue fund, however the major infrastructure improvements have been completed.

The effect of the changes on the financials for the year ended 31 March 2009/10 are as follows:

	2010/11 R'000	2009/10 R'000
Decrease in accounts payables		(109)
Increase in accumulated profits (opening balance)		109
Increase in revenue and net profit for the year		-
Net effect on profit		-

21. Contingent liabilities

21.1 Housing guarantees

State guarantees are in respect of housing loans of employees with financial institutions. The housing guarantees balance at 31 March 2011 amounted to **R nil** (R22 650: 2009/2010).

21.2 Accumulated surplus

In terms of Treasury Regulation 19.7.1, a trading entity must at the end of each financial year, declare any surplus or deficit to the relevant treasury. The relevant treasury may require that all or part of the surplus be redeposited in the Exchequer bank account.

The accumulated surplus of R 65,437 (R43 928: 2009/2010) million as at 31 March 2011 may be paid back to the relevant treasury on request.

22. General information on the Medical Trading Account

The aim of the Central Medical Trading Account is to provide medicines and medical consumables for the needs of provincial and state dependent institutions.

The impact of the financial performance of the trading entity on the finances of the Free State Department of Health is through the capital of the Central Medical Trading Account. This is a fixed fund, which is only augmented through the budget of the Free State Department of Health as the need arises. A provision is made annually in the budget of the department for the augmentation of the Central Medical Trading Account capital fund.

In terms of treasury regulations any surplus or deficit must be declared to the relevant treasury who may apply such surplus to reduce any proposed allocation to the trading entity or require that all or part of it be re-deposited in the Exchequer bank account. In the event of a trading entity incurring a deficit, the accounting officer of the department controlling the trading entity must disclose the financial impact of such a deficit on the department in its annual report.

Annual Financial Statements for the year ended 31 March 2011

Free State Department of Health
THE RECREATION FUND TRUST
ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011

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REPORT OF THE AUDITOR-GENERAL TO THE FREE STATE LEGISLATURE THE ON RECREATION FUND TRUST. REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Recreation Fund Trust, which comprise the statement of financial performance, statement of financial position, cash flow statement and statement of changes in net assets for the year ended 31 March 2011, and a summary of significant accounting policies and other explanatory information, and as set out on pages 197 to 202.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Statements of Generally Recognised Accounting Practice (SA Statements of GRAP) and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with International Standards on Auditing and General Notice 1111 of 2010 issued in Government Gazette 33872 of 15 December 2010. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial

statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

7. In my opinion, the financial statements present fairly, in all material respects, the financial position of Recreation Fund Trust as at 31 March 2011 and its financial performance and cash flows for the year then ended in accordance with the SA Statements of GRAP and the requirements of the PFMA.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

8. In accordance with the PAA and in terms of General Notice 1111 of 2010, issued in Government Gazette 33872 of 15 December 2010, I include below my findings on material non-compliance with laws and regulations applicable to the trust.

Compliance with laws and regulations

9. There are no findings concerning material non-compliance with laws and regulations applicable to the Recreation Fund Trust.

INTERNAL CONTROL

10. In accordance with the PAA and in terms of General Notice 1111 of 2010, issued in Government Gazette 33872 of 15 December 2010, I considered internal control relevant to my audit, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the deficiencies identified during the audit.

There are no significant deficiencies in internal control or material non-compliance with laws and regulations identified during the period under audit.

AUDITOR-GENERAL
Bloemfontein

31 July 2011



**Free State Department of Health
THE RECREATION FUND TRUST
DISCLOSURE OF TRUST FUND PARTICULARS
for the year ended 31 March 2011**

The name of the entity was registered in terms of Section 6(1) of the Trust Property Control Act, 1988 (Act 57 of 1988) as THE RECREATION FUND TRUST.

These set of statements drafted for the Recreation Fund Trust cover only an individual entity.

The Registration number of the Recreation Fund Trust is No: IT 70/06.

The entity's domicile is the premises of the Free State Psychiatric Complex, 33-49 Nico van der Merwe Street, Bloemfontein; and the country of incorporation is South Africa.

The entity's address for the registered office is physically as mentioned above and postal address is Private Bag X20607, Bloemfontein, 9300.

The nature of the entity's operations and its principle activities are to obtain donations and arrange activities raising income for example cake sales, to be utilized to organize recreational activities and functions for the patients.

**STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2011**

	<i>Note</i>	2010/2011	2009/2010
		R	R
INCOME		44 160	231 089
Interest income	3	259	1 842
Donations received		43 901	106 747
Transfer from Private Patient Fund	7	-	120 000
Other income		-	2 500
		111 718	63 510
Projects: Athletics and dance		3500	1 465
Bank charges		3 126	1 850
Depreciation		22 280	18 566
Donations		2 520	470
Insurance		17 493	16 743
Patients' functions and trips		38 963	14 820
Patient salary		3 480	3 280
Patient Ids		1 580	990
Motor vehicle expenses		16 390	3 400
Maintenance and repairs		2 386	-
Other expenses		-	1 926
SURPLUS/(DEFICIT) FOR THE YEAR		(67 558)	167 579

**Free State Department of Health
THE RECREATION FUND TRUST
STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2011**

	<i>Note</i>	2010/2011 R	2009/2010 R
ASSETS			
Non-current assets		203 964	228 630
Property, plant and equipment	2	196 804	219 084
Loans and receivables	7	7 160	9 546
Current assets		118 548	161 440
Cash and cash equivalents	4	116 162	159 054
Loans and receivables	7	2 386	2 386
TOTAL ASSETS		322 512	390 070
EQUITY AND LIABILITIES			
Capital and reserves		322 512	390 070
Trust Fund Capital	5	322 512	390 070
TOTAL NET ASSETS AND LIABILITIES		322 512	390 070

Free State Department of Health
THE RECREATION FUND TRUST
CASH FLOW STATEMENT
for the year ended 31 March 2011

	Note	2010/2011 R	2009/2010 R
CASH FLOWS FROM OPERATING ACTIVITIES		(42 892)	174 683
NNet Cash/(cash deficit) generated from operations	6	(43 151)	172 841
Interest received/ (paid)		259	1 842
CASH FLOW FROM INVESTMENT ACTIVITIES		-	237 650
Additions to Property, plant and equipment		-	(237 650)
Net increase/(decrease) in cash and cash equivalents		(42 892)	(62 967)
Movement in cash and cash equivalents			
End of the year		116 162	159 054
Beginning of the year		159 054	222 021
(Decrease)/increase		(42 892)	(62 967)

Free State Department of Health
THE RECREATION FUND TRUST
STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2011

	R
Balance 1 April 2009	222 491
Net surplus (deficit) for the year	167 579
Balance at 31 March 2010	390 070
Balance at 1 April 2010	390 070
Net surplus (deficit) for the year	(67 558)
Balance at 31 March 2011	322 512

Free State Department of Health
THE RECREATION FUND TRUST
ACCOUNTING POLICIES
for the year ended 31 March 2011

1. Accounting policies

The principal accounting policies adopted in the preparation of these annual financial statements, which are consistent with those of the previous year, are set out below:

1.1 Basis of preparation

The financial statements are prepared in accordance with and comply with South African Statements of Generally Recognised Accounting Practice. The financial statements are prepared under the historical cost convention as modified by the revaluation of certain property, plant and equipment, marketable securities and investment policies.

1.2 Financial instruments

Financial instruments carried on the balance sheet include cash and receivables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

1.3 Cash and cash equivalents

For the purposes of the cash flow statements, cash and cash equivalents comprise of cash at bank and a fixed deposit. The Previous year correction indicated in note 3 indicates the correction of the amount that was incorrectly declared as Petty cash in the previous year.

1.4 Loans and receivables

Loans and receivables are recognised at fair value. The current portion of the loans and receivables are classified under current assets while the portion expected to be collected or recovered over a period of one year are classified and disclosed under non current assets.

- The prepaid expenses for service plan on the purchase of assets are recognised as loans and receivables.

1.5 Revenue recognition

Interest received is recognized as it accrues unless collect ability is in doubt.

1.6 Basis

The financial statements for the Trust Fund are drawn up on a going concern basis.

1.7 Handling of Revenue

The Revenue in this Trust Fund comprises of sales of goods produced by the patients as well as interest on investment and contributions (donations) from institutions for recreational activities of patients.

1.8 PFMA Requirements

Due to the fact that this Trust Fund is not ruled by predetermined objectives, it is not possible to address performance comparison. The Trust Fund is only utilized for recreational activities for patients.

1.9 Related parties

A party is related to the Recreation Fund Trust if it is directly or indirectly through one or more intermediaries, the party: controls, is controlled by, or is under control with the Recreation Fund Trust; has an interest in the entity that gives it an influence over the Recreation Fund Trust.

1.10 Property, plant and Equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Assets with a cost higher than R5 000 are capitalised. Assets with a cost less than R5 000 are capitalised and fully depreciated in the same financial year. Depreciation is calculated on the straight line method to write off the cost to their estimated useful life as follow:

Transport assets	8 years	Residual value 25% of cost
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**Free State Department of Health
THE RECREATION FUND TRUST
NOTES OF THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011**

	2011 R	2010 R
2. Property, Plant and Equipment		
VEHICLES		
Cost price	237 650	-
Accumulated depreciation	(18 566)	-
Opening balance at the beginning of the year	219 084	-
Additions during the year	-	237 650
Depreciation	(22 280)	(18 566)
Closing balance at the end of the financial year	196 804	219 084
Cost	237 650	237 650
Accumulated depreciation	(40 846)	(18 566)
3. Interest received		
Standard bank 32 days deposit	259	1 842
4. Cash and cash equivalents	116 162	159 054
Cash at bank	55 903	158 754
Standard bank 32 days deposit	60 259	-
Cash on hand	-	300
5. Trust Fund Capital	322 512	390 070
Opening balance	390 070	222 491
Net surplus (deficit) for the year	(67 558)	167 579
6. Cash flow information		
Cash generated from operating activities	(43 151)	172 841
Net surplus/(deficit) for the year	(67 558)	167 579
Adjustment for interest received	(259)	(1 842)
Adjustment for depreciation	22 280	18 566
Change in working capital	2 386	(11 462)
Decrease(increase) in accounts receivables	2 386	(11 462)
7. Loans and receivables		
Receivable within a year	2 386	2 386
Receivable within 2 to 5 years	7 160	9 546
	9 546	11 932

Free State Department of Health
THE RECREATION FUND TRUST
NOTES OF THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011

7. Related party transactions

The funds could be transferred between the Private Patient Fund Trust and Recreation Fund Trust in the form of donations and transfers. When the funds are transferred amount the trust are treated as income or expense and do not result in accounts receivable or payable, unless the transfers are treated as loans from one trust to the other as the trustees may determine.

Related party transactions were as follows:

Transfer receipts from Private Patient Fund Trust	-	120 000
Donations made to Private Patient Fund Trust	-	(470)
Net effect	-	119 530

Free State Department of Health
PRIVATE PATIENT FUND TRUST
ANNUAL FINANCIAL STATEMENT
for the year ended 31 March 2011

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REPORT OF THE AUDITOR-GENERAL TO THE FREE STATE LEGISLATURE ON THE PRIVATE PATIENT FUND TRUST FOR THE YEAR ENDED 31 MARCH 2011

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Private Patient Fund Trust, which comprise the statement of financial performance, statement of financial position, cash flow statement and statement of changes in net assets for the year then ended 31 March 2011, and a summary of significant accounting policies and other explanatory information, and the accounting officer's report as set out on pages 206 to 211.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Statements of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with International Standards on Auditing and General Notice 1111 of 2010 issued in Government Gazette 33872 of 15 December 2010. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

7. In my opinion, the financial statements present fairly, in all material respects, the financial position of Private Patient Fund Trust as at 31 March 2011 and its financial performance and cash flows for the year then ended in accordance with the SA Statements of GRAP and the requirements of the PFMA.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

8. In accordance with the PAA and in terms of General Notice 1111 of 2010, issued in Government Gazette 33872 of 15 December 2010, I include below my findings on material non-compliance with laws and regulations applicable to the trading entity.

Compliance with laws and regulations

9. There are no findings concerning material non-compliance with laws and regulations applicable to Private Patient Fund Trust.

INTERNAL CONTROL

10. In accordance with the PAA and in terms of General Notice 1111 of 2010, issued in Government Gazette 33872 of 15 December 2010, I considered internal control relevant to my audit, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the deficiencies identified during the audit.

There are no significant deficiencies in internal control or material non compliance with laws and regulations identified during the period under audit.

AUDITOR-GENERAL

Bloemfontein
31 July 2011



**Free State Department of Health
PRIVATE PATIENT FUND TRUST
DISCLOSURE & TRUST FUND PARTICULARS**

The name of the entity was registered in terms of Section 6(1) of the Trust Property Control Act, 1988 (Act 57 of 1988) as PRIVATE PATIENT FUND TRUST.

These set of statements drafted for the Private Patient Fund Trust cover only an individual entity.

The Registration number of the Private Patient Fund Trust is No: IT 255/06.

The entity's domicile is the premises of the Free State Psychiatric Complex, 33-49 Nico van der Merwe Street, Bloemfontein; and the country of incorporation is South Africa.

The entity's address for the registered office is physically as mentioned above and postal address is Private Bag X20607, Bloemfontein, 9300.

The nature of the entity's operations and its principle activities are to control donations made to patients from their relatives/ friends by means of making deposits and withdrawals on their behalf.

Furthermore Occupational Therapy Section of the Free State Psychiatric Complex run projects e.g. Kosmos and Rutanang where products and gifts are manufactured by patients, and then sold.

**Free State Department of Health
PRIVATE PATIENT FUND TRUST
STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2011**

	<i>Note</i>	2010/2011 R	2009/2010 R
Income		30 451	33 670
Interest Income	2	7 587	8 736
Donations received		-	470
Projects:			
Kosmos		15 487	15 272
Rutanang		7 377	9 192
TOTAL INCOME		30 451	33 670

TOTAL EXPENDITURE		28 428	143 960
Bank Charges		4 111	3 301
Projects: Kosmos		17 893	15 666
Rutanang		6 424	4 715
Transfer to Recreation Fund Trust	7	-	120 000
Obsolete inventory written off		-	278
SURPLUS/(DEFICIT) FOR THE YEAR		2 023	(110 290)

**Free State Department of Health
PRIVATE PATIENT FUND TRUST
STATEMENT OF FINANCIAL POSITION
as at 31 March 2011**

	<i>Note</i>	2010/2011 R	2009/2010 R
ASSETS			
Current assets		282 025	273 070
Cash and cash equivalents	3	282 025	273 070
		282 025	273 070
EQUITIES AND LIABILITIES			
Current liabilities		118 661	111 729
Trade and other payables	4	118 661	111 729
Capital and reserves		163 364	161 341
Trust Fund Capital	5	163 364	161 341
TOTAL NET ASSETS AND LIABILITIES		282 025	273 070

Free State Department of Health
PRIVATE PATIENT FUND TRUST
CASH FLOW STATEMENT
for the year ended 31 March 2011

	<i>Note</i>	2010/2011	2009/2010
		R	R
CASH FLOWS FROM OPERATING ACTIVITIES		8 955	(90 447)
Cash/(cash deficit) generated from operations	6	1 368	(99 183)
Interest received/ (paid)		7 587	8 736
Net increase/(decrease) in cash and cash equivalents		8 955	(90 447)
Movement in cash and cash equivalents			
End of year		282 025	273 070
Beginning of year		273 070	363 517
(Decrease)/Increase		8 955	(90 447)

Free State Department of Health
PRIVATE PATIENT FUND TRUST
STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2011

	R
Trust Fund Capital	
Opening balance at 1 April 2009	271 631
Surplus/Deficit for the year	(110 290)
Balance as at 31 March 2010	161 341
Balance as at 1 April 2010	161 341
Surplus/(Deficit) for the year	2 023
Closing balance as at 31 March 2011	163 364

**Free State Department of Health
PRIVATE PATIENT FUND TRUST
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011**

1. Accounting policies

The principal accounting policies adopted in the preparation of these annual financial statements, which are consistent with those of the previous year, are set out below:

1.1 Basis of preparation

The financial statements are prepared in accordance with and comply with South African Statements of Generally Recognised Accounting Practice (GRAP). The financial statements are prepared under the historical cost convention as modified by the revaluation of certain property, plant and equipment, marketable securities and investment policies.

1.2 Financial instruments

Financial instruments carried on the balance sheet include cash and receivables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

1.3 Inventory

Inventory is stated at the lower of cost and net realizable value, making provision for obsolescence or sale ability. Cost is determined by the weighed average method. Net realizable value is the estimated selling price in the ordinary course of business, less selling expenses.

1.4 Cash and cash equivalents

For the purposes of the cash flow statements, cash and cash equivalents comprise of cash at bank and a current deposit held with Standard Bank.

1.5 Revenue recognition

Interest received is recognized as it accrues unless collect ability is in doubt.

1.6 Basis

The financial statements for the Trust Fund are drawn up on a going concern basis.

1.7 Handling of Revenue

The Revenue in this Trust Fund comprises of sales of goods produced by the patients as well as interest on investment and contributions (donations) from institutions for recreational activities of patients.

1.8 PFMA Requirements

Due to the fact that this Trust Fund is not ruled by predetermined objectives, it is not possible to address performance comparison. The Trust Fund is only utilized for recreational activities for patients and the controlling of monies donated to the patients from relatives/friends.

1.9 Related parties

A party is related to the Private Patient Fund Trust if it is directly or indirectly through one or more intermediaries, the party:

- controls, is controlled by, or is under control with the Private Patient Fund Trust;
- has an interest in the entity that gives it an influence over the Private Patient Fund Trust.

**Free State Department of Health
PRIVATE PATIENT FUND TRUST
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011**

	<i>Note</i>	2010/2011 R	2009/2010 R
2. Interest received			
Standard Bank 32 day deposit		7 587	8 736
3. Cash and cash equivalents		282 025	273 070
Cash at bank		54 481	113 113
Standard bank 32 days deposit		227 544	159 957
4. Payables		118 661	111 729
Private Patient Fund		118 661	111 729
5. Trust Fund Capital		163 364	161 341
Opening balance		161 341	271 631
Net income(deficit) for the year		2 023	(110 290)
6. Cash flow information			
Cash/(cash deficit) generated from operations		1 368	(99 183)
Net profit for the year		2 023	(110 290)
Adjustment for interest received		(7 587)	(8 736)
Generated from decrease in/(utilized to increase) working Capital		6 932	19 843
(Decrease)/increase in payables		6 932	19 565
Decrease/(increase) in inventory		-	278

7. Related party transactions

The funds could be transferred between the Private Patient Fund Trust and Recreation Fund Trust in the form of donations and transfers. When the funds are transferred amount the trust are treated as income or expense and do not result in accounts receivable or payable, unless the transfers are treated as loans from one trust to the other as the trustees may determine.

Related party transactions were as follows:

Transfer payments to Recreation Fund Trust	-	(120 000)
Donations received from Recreation Fund Trust	-	470
Net effect	-	(119 530)



Human Resource Management

2. HUMAN RESOURCE MANAGEMENT

Service delivery

The following tables reflect the components of the SDI plan as well as progress made in the implementation of the plans.

Table 1.1 – Main services provided and standards

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
To improve the waiting time at all Health Institutions	Service users	Officials, suppliers, and partners	To improve waiting time from five hours to three hours	<p>Waiting time has improved to four hours in 123 institutions</p> <p>Strategies implemented to measure and monitor the waiting time standard are:</p> <ul style="list-style-type: none"> • Unannounced Visits • Information sessions • Reports on the waiting time and complaints management and compliance rate ranging from 61% to 85%
To educate service users on how to utilise the departmental complaint procedure	Internal and external customers	Internal Customers	Uniform utilisation and understanding of complaints procedure in all health institutions	<p>All health institutions have displayed Service Delivery Charters indicating complaints management system of the department</p> <p>Marketing of Customer Care Line over the radio and health information posters</p> <p>Customer care trainings for institution managers and frontline staff</p> <p>Provincial Customer Care Strategy document developed and approved</p>

Table 1.2 – Consultation arrangements with customers

Type of arrangement	Actual Customers	Potential Customers	Actual achievements
Impromptu Visits	Service Users and Service Providers	Management of institutions	Sixteen (16) institutions visited
Research (Patient Satisfaction Survey in 30 hospitals, 9 CHCs and 222 clinics)	Service Users	Health Personnel	Patient Satisfaction rate improved from 69% to 83% for 30 hospitals and 9 CHCs.
Capacity Building sessions	Health Personnel and Community members	Suppliers	Two Hundred and ninety one (291) staff members capacitated on Customer Care and Batho Pele Revitalization
Monitoring and Evaluation	Health Institutions	N/A	Fifty (50) institution were monitored for compliance with Service Delivery Improvement Plan compliance rate improved from 61%-85%

Table 1.3 – Service delivery access strategy

Access Strategy	Actual achievements
Signage	90% of Institutions have boards indicating: working hours and type of services rendered.
Wheel chair ramps and toilets	70% of the institutions accommodating physically challenged individuals
Customer care line	Availability of Toll Free number to all service users

Table 1.4 – Service information tool

Types of information tool	Actual achievements
Radio Slots	All community radio stations available in the Free State and one National radio station used for dissemination of health information in 2010/11
Health Information Posters	Posters and pamphlets developed and distributed
Service Delivery Charters	All health institutions displayed service delivery charters indicating the address and contact numbers for the authority of the department of Health

Table 1.5 – Complaints mechanism

Complaints Mechanism	Actual achievements
Suggestion Boxes	100% of institutions have suggestion boxes
Complaints Registers	90% of institutions have complaints registers
Customer Care line	Toll free number is marketed and utilised by community.

Expenditure

Departments budget in terms of clearly defined programmes. The following tables summarise final audited expenditure by programme (Table 2.1) and by salary bands (Table 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 2.1 – Personnel costs by programme, 2010/11

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Average compensation of Employees cost per Employee (R'000)
Fhw: Administration (P1)	215,546	144,744	8
Fhw: Central Hospital Services (P5)	1,075,995	698,654	33
Fhw: District Health Services (P2)	2,368,793	1,516,160	73
Fhw: Emergency Medical Services (P3)	331,704	198,095	7
Fhw: Health Care Support Services (P7)	74,676	51,912	3
Fhw: Health Facilities Management (P8)	350,242	2,245	0,006
Fhw: Health Sciences & Training (P6)	137,718	72,004	4
Fhw: Provincial Hospital Management (P4)	1,485,347	1,089,046	52
TOTAL AS ON FINANCIAL SYSTEMS (BAS)	5,996,337	3,772,860	180

BAS System

TABLE 2.2 – Personnel costs by salary bands, 2010/11

	Compensation of Employees Cost (R'000)	Percentage of Total Personnel Cost for Department	Average Compensation Cost per Employee (R)	Total Personnel Cost for Department including Goods and Transfers (R'000)	Number of Employees
Lower skilled (Levels 1-2)	222,896	5.9	102,841	3,772,860	2,189
Skilled (Levels 3-5)	791,490	21.0	138,775	3,772,860	5,758
Highly skilled production (Levels 6-8)	752,943	20.0	253,299	3,772,860	3,001
Highly skilled supervision (Levels 9-12)	1,686,874	44.7	461,523	3,772,860	3,690
Senior management (Levels 13-16)	135,565	3.6	1,036,841	3,772,860	132
Contract (Levels 1-2)	271	0.0007	6.052	3,772,860	6
Contract (Levels 3-5)	3,761	0.1	39,695	3,772,860	83
Contract (Levels 6-8)	73,961	2.0	228,346	3,772,860	327
Contract (Levels 9-12)	85,235	2.3	549,652	3,772,860	151
Contract (Levels 13-16)	3,136	0.1	20,222	3,772,860	4
Periodical Remuneration	7,179	0.2	22,647	3,772,860	320
Abnormal Appointment	9,459	0.3	16,754	3,772,860	570
Total	3,772,860	100.00	3,713,814	3,772,860	16,231

Persal/BAS reconciliation

The following tables provide a summary per programme (Table 2.3) and salary bands (Table 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 2.3 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by programme, 2010/11

Programme	Salaries		Overtime		Medical Assistance				Total personnel Cost per Programme
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost	Amount (R'000)
Donor funds	4,121	78	5	0.1	100	1.9	195	3.7	5,233
P1 Administration	62,861	72.3	782	0.9	2,261	2.6	3,999	4.6	86,120
P2 District Health Serv.	508,112	69.8	25,478	3.5	17,471	2.4	31,302	4.3	721,052
P3 Emergency Medical Services	48,993	62.7	8,126	10.4	3,047	3.9	5,548	7.1	77,399
P4 Provincial Hospital Management	379,501	69.1	35,149	6.4	13,730	2.5	23,616	4.3	543,999
P5 Central Hospital Services	226,809	66.2	35,289	10.3	5,482	1.6	13,362	3.9	339,363
P6 Health Sciences & Training	28,934	75.5	192	0.5	843	2.2	1,763	4.6	37,959
P7 Health Care Support Services	19,882	68.5	610	2.1	1,509	5.2	1,945	6.7	28,749

Programme	Salaries		Overtime		Medical Assistance				Total personnel Cost per Programme
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost	Amount (R'000)
P8 Health Facilities Management	789	71.3	0	0	27	2.4	49	4.4	1,097
Prog 1: Administration	62,902	71.5	1,672	1.9	2,375	2.7	3,959	4.5	87,140
Prog 2: District Health Services	578,325	70.5	22,969	2.8	18,047	2.2	30,352	3.7	813,051
Prog 3: Emergency Medical Services	42,367	62.3	7,617	11.2	2,788	4.1	4,624	6.8	67,361
Prog 4: Provincial Hospital Services	381,833	69.4	33,012	6	13,755	2.5	21,457	3.9	544,976
Prog 5: Central Hospital Services	232,239	66.8	35,462	10.2	5,563	1.6	12,516	3.6	344,367
Prog 6: Health Sciences & Training	34,759	77.8	179	0.4	849	1.9	1,698	3.8	44,254
Prog 7: Health Care Support Services	19,312	69.1	559	2	1,481	5.3	1,817	6.5	27,864
Prog 8: Internal Charges	2,026	56.3	828	23	14	0.4	50	1.4	3,564
Total	2,633,764	69.2	207,928	5.5	89,343	2.4	158,252	4.1	3,772,860

Persal/BAS reconciliation

TABLE 2.4 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands, 2010/11

Programme	Salaries		Overtime		Home Owners Allowance		Medical Assistance		Total per-sonnel Cost per Salary Band (R'000)
	Amount (R'000)	Salaries as a % of person-nel cost	Amount (R'000)	Overtime as a % of per-sonnel cost	Amount (R'000)	HOA as a % of person-nel cost	Amount (R'000)	Medical As-sistance as a % of person-nel cost	
Lower skilled (Levels 1-2)	153,532	68.2	2,476	1.1	15,083	6.7	14,408	6.4	222,986
Skilled (Levels 3-5)	547,360	68.5	27,967	3.5	37,556	4.7	53,537	6.7	791,490
Highly skilled production (Levels 6-8)	533,625	70.2	25,085	3.3	17,483	2.3	39,528	5.2	752,943
Highly skilled supervision (Levels 9-12)	1,187,005	69.7	107,290	6.3	18,733	1.1	45,982	2.7	1,686,874
Senior management (Levels 13-16)	92,246	67.4	17,108	12.5	1,369	1	2,329	1.7	135,565
Contract (Levels 1-2)	264	96.2	0	0	5	1.9	0	0	271
Contract (Levels 3-5)	3,395	89.4	15	0.4	53	1.4	68	1.8	3,761
Contract (Levels 6-8)	56,823	76.1	9,483	12.7	373	0.5	672	0.9	73,961
Contract (Levels 9-12)	48,446	56.3	18,587	21.6	344	0.4	1,033	1.2	85,235
Contract (Levels 13-16)	2,588	81.6	275	8.7	0	0	32	1	3,136
Periodical Remuneration	0	0	0	0	0	0	0	0	7,179
Abnormal Appointment	9,540	99.9	0	0	0	0	0	0	9,459
Total	2,634,818	69.2	171,941	5.5	91,000	2.4	157,586	4.1	3,772,860

Persal/BAS reconciliation

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 3.1), salary band (Table 3.2) and critical occupations (Table 3.3). Departments have identified critical occupations that need to be monitored. Table 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 3.1 – Employment and vacancies by programme, 31 March 2011

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Administration, Permanent	694	546	21.3	0
District Health Services, Permanent	8594	6429	20	0
District Health Services, Temporary	39	90	-130.8	0
Emergency Medical Services, Permanent	1861	1249	32.9	0
Provincial Hospital Management, Permanent	5867	5027	14.3	0
Provincial Hospital Management, Temporary	25	52	-108	0
Central Hospital Services, Permanent	2454	2107	14.1	0
Central Hospital Services, Temporary	21	21	0	0
Health Sciences & Training, Permanent	316	266	15.8	0
Health Care Support Services, Permanent	549	440	19.9	0
Health Facilities Management, Permanent	9	4	55.6	0
Total	20429	16231	18.4	0

HR Oversight Report

TABLE 3.2 – Employment and vacancies by salary bands, 31 March 2011

Salary band	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2), Permanent	4100	2291	44.1	0
Skilled (Levels 3-5), Permanent	12063	6506	47.9	0
Highly skilled production (Levels 6-8), Permanent	5609	2811	49.9	0
Highly skilled supervision (Levels 9-12), Permanent	5653	3726	34.1	0
Highly skilled supervision (Levels 9-12), Temporary	67	170	-153.7	0
Senior management (Levels 13-16), Permanent	189	130	31.2	0
Other, Temporary	1	1	0	0
Contract (Levels 1-2), Permanent	1	1	0	0
Contract (Levels 3-5), Permanent	19	19	0	0
Contract (Levels 6-8), Permanent	407	407	0	0
Contract (Levels 9-12), Permanent	165	165	0	0
Contract (Levels 13-16), Permanent	4	4	0	0
TOTAL	28278	16231	43.4	0

TABLE 3.3 – Employment and vacancies by critical occupation, 31 March 2011

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Administrative related, Permanent	119	81	31.9	0
All artisans in the building mental machinery etc., Permanent	131	104	20.6	0
Ambulance and related workers, Permanent	1773	1209	31.8	0
Architects, town and traffic planners, Permanent	1	0	100	0
Artisan project and related superintendent, Permanent	2	1	50	0
Auxiliary and related workers, Permanent	411	342	16.8	0
Biochemistr, pharmacol., zoology& life scie. techni, Permanent	5	3	40	0
Building and other property caretakers, Permanent	52	47	9.6	0
Bus and heavy vehicle drivers, Permanent	68	54	20.6	0
Chemical and physical science technicians, Permanent	17	11	35.3	0
Cleaners in offices, workshops, hospitals, etc., Perm.	1498	1214	19	0
Client inform clerks (switchbrecept inform clerks), Permanent	65	49	24.6	0
Communication and information related, Permanent	4	4	0	0
Community development workers, Permanent	33	29	12.1	0
Computer system designers and analysts., Permanent	10	9	10	0
Dental practitioners, Permanent	72	61	15.3	0
Dental practitioners, Temporary	1	3	-200	0
Dental therapy, Permanent	3	3	0	0
Dieticians and nutritionists, Permanent	89	55	38.2	0
Dieticians and nutritionists, Temporary	1	1	0	0
Diplomats, Permanent	1	1	0	0
Emergency services related, Permanent	16	15	6.3	0
Engineers and related professionals, Permanent	2	1	50	0
Environmental health, Permanent	59	54	8.5	0
Finance and economics related, Permanent	60	51	15	0
Financial and related professionals, Permanent	107	83	22.4	0
Financial clerks and credit controllers, Permanent	183	152	16.9	0
Food services aids and waiters, Permanent	182	159	12.6	0
Food services workers, Permanent	5	4	20	0
General legal administration & rel. professionals, Permanent	4	2	50	0
Health sciences related, Permanent	1698	1572	7.4	0
Health sciences related, Temporary	4	4	0	0

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Household and laundry workers, Permanent	950	795	16.3	0
Household food and laundry services related, Permanent	7	4	42.9	0
Housekeepers laundry and related workers, Permanent	13	6	53.8	0
Human resources & organisat developm & relate prof, Permanent258	54	40	25.9	0
Human resources clerks, Permanent	258	225	12.8	0
Human resources related, Permanent	18	16	11.1	0
Information technology related, Permanent	1	1	0	0
Inspectors of apprentices works and vehicles, Permanent	4	3	25	0
Language practitioners interpreters & other commun, Permanent	15	9	40	0
Leather workers, Permanent	2	2	0	0
Library mail and related clerks, Permanent	65	55	15.4	0
Light vehicle drivers, Permanent	79	62	21.5	0
Logistical support personnel, Permanent	110	79	28.2	0
Material-recording and transport clerks, Permanent	330	281	14.8	0
Medical practitioners, Permanent	679	422	37.8	0
Medical practitioners, Temporary	50	118	-136	0
Medical research and related professionals, Permanent	8	5	37.5	0
Medical specialists, Permanent	546	402	26.4	0
Medical specialists, Temporary	8	16	-100	0
Medical technicians/technologists, Permanent	78	41	47.4	0
Messengers porters and deliverers, Permanent	231	206	10.8	0
Motor vehicle drivers, Permanent	1	1	0	0
Natural sciences related, Permanent	6	3	50	0
Nursing assistants, Permanent	2147	1900	11.1	0
Occupational therapy, Permanent	83	67	19.3	0
Occupational therapy, Temporary	1	1	0	0
Optometrists and opticians, Permanent	2	0	100	0
Oral hygiene, Permanent	7	4	42.9	0
Other administrat & related clerks and organisers, Permanent	1115	925	16.2	0
Other administrative policy and related officers, Permanent	142	108	23.9	0
Other information technology personnel., Permanent	60	53	11.7	0
Other occupations, Permanent	1	1	0	0
Pharmacists, Permanent	528	382	27.7	0
Pharmacists, Temporary	3	3	0	0

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Physicists, Permanent	10	10	0	0
Physiotherapy, Permanent	95	73	23.2	0
Physiotherapy, Temporary	1	1	0	0
Professional nurse, Permanent	2777	2051	10.6	0
Professional nurse, Temporary	11	11	0	0
Psychologists and vocational counselors, Permanent	42	28	33.3	0
Quantity surveyors & rela prof not class elsewhere, Permanent	1	1	0	0
Radiography, Permanent	229	200	12.7	0
Radiography, Temporary	4	4	0	0
Regulatory inspectors, Permanent	11	6	45.5	0
Risk management and security services, Permanent	3	3	0	0
Secretaries & other keyboard operating clerks, Permanent	160	143	10.6	0
Security officers, Permanent	1317	779	40.9	0
Senior managers, Permanent	53	45	15.1	0
Shoemakers, Permanent	2	2	0	0
Social sciences related, Permanent	7	7	0	0
Social work and related professionals, Permanent	55	45	18.2	0
Speech therapy and audiology, Permanent	31	15	51.6	0
Speech therapy and audiology, Temporary	1	1	0	0
Staff nurses and pupil nurses, Permanent	772	714	7.5	0
Statisticians and related professionals, Permanent	5	5	0	0
Supplementary diagnostic radiographers, Permanent	17	14	17.6	0
Trade labourers, Permanent	547	459	16.1	0
Total	20429	16231	18.4	0

HR Oversight Report

The information in each case reflects the situation as at 31 March 2011. For an indication of changes in staffing patterns over the year under review, please refer to section 5 of this report.

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 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 4.1 – Job Evaluation, 1 April 2010 to 31 March 2011

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)	2635	11	0.4	140	1272.7	0	0
Contract (Levels 1-2)	25	0	0	0	0	0	0
Contract (Levels 3-5)	188	0	0	10	0	0	0
Contract (Levels 6-8)	201	0	0	14	0	0	0
Contract (Levels 9-12)	225	0	0	4	0	0	0
Contract (Band A)	8	0	0	0	0	0	0
Contract (Band B)	4	0	0	1	0	0	0
Skilled (Levels 3-5)	8277	29	0.4	272	937.9	1	3.4
Highly skilled production (Levels 6-8)	3952	5	0.1	161	3220	0	0
Highly skilled supervision (Levels 9-12)	4716	0	0	99	0	1	0
Senior Management Service Band A	84	0	0	1	0	0	0
Senior Management Service Band B	60	0	0	3	0	0	0
Senior Management Service Band C	53	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
Total	20429	45	0.2	705	1566.7	2	4.4

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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 the new posts and some of the posts upgraded could also be vacant.

TABLE 4.2 – Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2010 to 31 March 2011

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a disability	0	0	0	0	0

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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 4.3 – Employees whose salary level exceed the grade determined by job evaluation, 1 April 2010 to 31 March 2011 (in terms of PSR 1.V.C.3)

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation	
Total Number of Employees whose salaries exceeded the level determined by job evaluation in 2010/11	0				0
Percentage of total employment	0				0

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Table 4.4 summarises the beneficiaries of the above in terms of race, gender, and disability.

TABLE 4.4 – Profile of employees whose salary level exceed the grade determined by job evaluation, 1 April 2010 to 31 March 2011 (in terms of PSR 1.V.C.3)

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a disability	0	0	0	0	0

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[If there were no cases where the remuneration bands exceeded the grade determined by job evaluation, use the following table as TABLE 4.3]

Total Number of Employees whose salaries exceeded the grades determined by job evaluation in 2010/ 11	None
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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 5.1) and by critical occupations (Table 5.2). (These “critical occupations” should be the same as those listed in Table 3.3).

TABLE 5.1 – Annual turnover rates by salary band for the period 1 April 2010 to 31 March 2011

Salary Band	Number of employees per band as on 1 April 2010	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2), Permanent	1919	502	91	4.7
Lower skilled (Levels 1-2), Temporary	4	0	0	0
Skilled (Levels 3-5), Permanent	5951	857	237	4
Skilled (Levels 3-5), Temporary	17	0	1	5.9
Highly skilled production (Levels 6-8), Perm.	2984	247	155	5.2
Highly skilled production (Levels 6-8), Temp.	84	2	7	8.3
Highly skilled supervision (Levels 9-12), Perm.	3806	144	180	4.7
Highly skilled supervision (Levels 9-12), Temp.	57	3	17	29.8
Senior Management Service Band A, Perm.	46	4	6	13
Senior Management Service Band B, Perm.	68	1	2	2.9
Senior Management Service Band C, Perm.	32	0	3	9.4
Senior Management Service Band D, Perm.	2	0	0	0
Contract (Levels 1-2), Permanent	115	25	132	114.8
Contract (Levels 3-5), Permanent	157	246	33	21
Contract (Levels 6-8), Permanent	161	177	290	180.1
Contract (Levels 9-12), Permanent	267	167	205	76.8
Contract (Band A), Permanent	4	3	2	50
Contract (Band B), Permanent	3	3	2	66.7
Total	15677	2381	1363	8.7

TABLE 5.2 – Annual turnover rates by critical occupation for the period 1 April 2010 to 31 March 2011

Occupation	Number of employees per occupation as on 1 April 2010	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative related, Permanent	85	5	11	12.9
All artisans in the building metal machinery etc., Permanent	91	6	5	5.5
Ambulance and related workers, Permanent	1020	159	21	2.1
Artisan project and related superintendents, Permanent	11	0	0	0
Auxiliary and related workers, Permanent	567	10	18	3.2
Building and other property caretakers, Permanent	54	4	0	0
Bus and heavy vehicle drivers, Permanent	60	1	3	5
Chemical and physical science technicians, Permanent	15	0	2	13.3
Cleaners in offices workshops hospitals etc., Permanent	1068	286	165	15.4
Client inform clerks (switchbrecept inform clerks), Permanent	66	0	3	4.5
Communication and information related, Permanent	2	0	0	0
Community development workers, Permanent	27	0	0	0
Computer system designers and analysts., Permanent	7	2	0	0
Dental practitioners, Permanent	61	24	24	39.3
Dental practitioners, Temporary	1	0	1	100
Dental therapy, Permanent	2	0	0	0
Dieticians and nutritionists, Permanent	57	15	17	29.8
Dieticians and nutritionists, Temporary	1	0	0	0
Emergency services related, Permanent	16	42	1	6.3
Engineering sciences related, Permanent	0	1	0	0
Environmental health, Permanent	52	22	25	48.1
Finance and economics related, Permanent	40	3	1	2.5
Financial and related professionals, Permanent	57	2	2	3.5
Financial clerks and credit controllers, Permanent	69	1	5	7.2
Fire fighting and related workers, Permanent	0	1	0	0
Food services aids and waiters, Permanent	125	10	5	4
Food services workers, Permanent	3	0	0	0
General legal administration & rel. professionals, Permanent	3	1	0	0
Health sciences related, Permanent	1963	23	82	4.2

Occupation	Number of employees per occupation as on 1 April 2010	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Health sciences related, Temporary	2	2	1	50
Household and laundry workers, Permanent	821	155	41	5
Household food and laundry services related, Permanent	4	0	1	25
Housekeepers laundry and related workers, Permanent	4	1	1	25
Human resources & organisat developm & relate prof, Permanent	35	1	1	2.9
Human resources clerks, Permanent	153	2	5	3.3
Human resources related, Permanent	14	0	0	0
Information technology related, Permanent	2	0	0	0
Inspectors of apprentices works and vehicles, Permanent	3	0	0	0
Language practitioners interpreters & other commun, Permanent	11	0	2	18.2
Leather workers, Permanent	1	1	0	0
Library mail and related clerks, Permanent	57	1	3	5.3
Light vehicle drivers, Permanent	57	0	5	8.8
Logistical support personnel, Permanent	34	0	1	2.9
Material-recording and transport clerks, Permanent	174	16	5	2.9
Medical practitioners, Permanent	452	191	167	36.9
Medical practitioners, Temporary	124	1	17	13.7
Medical research and related professionals, Permanent	8	0	2	25
Medical specialists, Permanent	355	19	39	11
Medical specialists, Temporary	12	0	3	25
Medical technicians/technologists, Permanent	49	11	9	18.4
Messengers porters and deliverers, Permanent	202	11	15	7.4
Motor vehicle drivers, Permanent	4	0	0	0
Natural sciences related, Permanent	3	0	1	33.3
Nursing assistants, Permanent	2227	334	95	4.3
Occupational therapy, Permanent	69	27	31	44.9
Occupational therapy, Temporary	1	0	0	0
Optometrists and opticians, Permanent	6	0	2	33.3
Oral hygiene, Permanent	6	0	1	16.7
Other administrat & related clerks and organisers, Permanent	1176	46	36	3.1
Other administrative policy and related officers, Permanent	139	3	4	2.9

Occupation	Number of employees per occupation as on 1 April 2010	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Other information technology personnel., Permanent	50	2	2	4
Other occupations, Permanent	2	0	0	0
Pharmacists, Permanent	110	72	32	29.1
Pharmacists, Temporary	1	1	0	0
Pharmacologists pathologists & related professional, Permanent	3	0	0	0
Physicists, Permanent	14	4	2	14.3
Physicists, Temporary	1	0	1	100
Physiotherapy, Permanent	74	30	31	41.9
Physiotherapy, Temporary	1	0	0	0
Professional nurse, Permanent	1854	245	239	12.9
Professional nurse, Temporary	14	0	2	14.3
Psychologists and vocational counsellors, Permanent	32	10	10	31.3
Quantity surveyors & rela prof not class elsewhere, Permanent	1	0	0	0
Radiography, Permanent	162	37	22	13.6
Radiography, Temporary	3	1	0	0
Rank: Unknown, Permanent	2	0	0	0
Regulatory inspectors, Permanent	1	0	0	0
Risk management and security services, Permanent	3	0	0	0
Secretaries & other keyboard operating clerks, Permanent	94	35	2	2.1
Security guards, Permanent	239	0	5	2.1
Security officers, Permanent	224	369	50	22.3
Senior managers, Permanent	42	5	6	14.3
Shoemakers, Permanent	4	0	1	25
Social sciences related, Permanent	9	0	1	11.1
Social work and related professionals, Permanent	40	2	0	0
Speech therapy and audiology, Permanent	17	10	11	64.7
Speech therapy and audiology, Temporary	1	0	0	0
Staff nurses and pupil nurses, Permanent	434	76	18	4.1
Statisticians and related professionals, Permanent	5	0	0	0
Student nurse, Permanent	2	0	0	0
Supplementary diagnostic radiographers, Permanent	18	13	1	5.6
Trade labourers, Permanent	492	29	48	9.8
Total	15677	2381	1363	8.7

Table 5.3 identifies the major reasons why staff left the department.

Table 5.3 – Reasons why staff are leaving the department

Termination Type	Number	Percentage of Total Resignations	Percentage of Total Employment	Total	Total Employment
Death, Permanent	119	8.7	0.8	1363	15677
Resignation, Permanent	277	20.3	1.8	1363	15677
Resignation, Temporary	20	1.5	0.1	1363	15677
Expiry of Contract, Permanent	658	48.3	4.2	1363	15677
Expiry of Contract, Temporary	2	0.1	0	1363	15677
Transfers, Permanent	6	0.4	0	1363	15677
Discharged due to ill health, Perm.	13	1	0.1	1363	15677
Dismissal – misconduct, Permanent	14	1	0.1	1363	15677
Retirement, Permanent	247	18.1	1.6	1363	15677
Retirement, Temporary	1	0.1	0	1363	15677
Other, Permanent	4	0.3	0	1363	15677
Other, Temporary	2	0.1	0	1363	15677
Total	1363	100	8.7	1363	15677

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Table 5.4 – Promotions by critical occupation

Category	No. of applications received	No. of applications referred to the MPSA	No. of applications supported by MPSA	No. of Packages approved by department
Lower Skilled (Salary level 1-2)	0	0	0	0
Skilled (Salary level 3-5)	0	0	0	0
Highly skilled production (Salary level 6-8)	0	0	0	0
Highly skilled supervision (Salary level 9-12)	0	0	0	0
Senior Management (Salary level 13 and higher)	0	0	0	0
Total	0	0	0	0

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Table 5.5 – Promotions by salary band

Occupation	Employees as at 1 April 2010	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
Administrative related	85	10	11.8	45	52.9
All artisans in the building metal machinery etc.	91	0	0	0	0
Ambulance and related workers	1020	5	0.5	0	0
Artisan project and related super-intendents	11	0	0	0	0
Auxiliary and related workers	567	20	3.5	235	41.4
Building and other property caretakers	54	1	1.9	41	75.9
Bus and heavy vehicle drivers	60	3	5	35	58.3
Chemical and physical science technicians	15	0	0	12	80
Cleaners in offices workshops hospitals etc.	1068	41	3.8	591	55.3
Client inform clerks (switchbrecept inform clerks)	66	0	0	33	50
Communication and information related	2	1	50	1	50
Community development workers	27	4	14.8	20	74.1
Computer system designers and analysts	7	0	0	5	71.4
Dental practitioners	62	103	166.1	0	0
Dental therapy	2	0	0	2	100
Dieticians and nutritionists	58	4	6.9	27	46.6
Emergency services related	16	1	6.3	1	6.3
Environmental health	52	0	0	13	25
Finance and economics related	40	5	12.5	28	70
Financial and related professionals	57	9	15.8	40	70.2
Financial clerks and credit controllers	69	9	13	33	47.8
Food services aids and waiters	125	3	2.4	85	68
Food services workers	3	1	33.3	3	100
General legal administration & rel. professionals	3	1	33.3	1	33.3
Head of department/chief executive officer	0	1	0	0	0
Health sciences related	1965	102	5.2	60	3.1
Household and laundry workers	821	11	1.3	451	54.9
Household food and laundry services related	4	1	25	3	75

Occupation	Employees as at 1 April 2010	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Notch progressions as a % of employees by occupation	Notch progressions as a % of employees by occupation
Housekeepers laundry and related workers	4	0	0	5	125
Human resources & organisat developm & relate prof	35	7	20	25	71.4
Human resources clerks	153	6	3.9	102	66.7
Human resources related	14	0	0	9	64.3
Information technology related	2	0	0	1	50
Inspectors of apprentices works and vehicles	3	0	0	1	33.3
Language practitioners interpreters & other commun	11	1	9.1	8	72.7
Leather workers	1	0	0	0	0
Library mail and related clerks	57	4	7	29	50.9
Light vehicle drivers	57	3	5.3	32	56.1
Logistical support personnel	34	22	64.7	27	79.4
Material-recording and transport clerks	174	25	14.4	56	32.2
Medical practitioners	576	587	101.9	3	0.5
Medical research and related professionals	8	0	0	3	37.5
Medical specialists	367	296	80.7	1	0.3
Medical technicians/technologists	49	4	8.2	17	34.7
Messengers porters and deliverers	202	7	3.5	144	71.3
Motor vehicle drivers	4	0	0	2	50
Natural sciences related	3	0	0	0	0
Nursing assistants	2227	5	0.2	0	0
Occupational therapy	70	6	8.6	23	32.9
Optometrists and opticians	6	0	0	5	83.3
Oral hygiene	6	0	0	4	66.7
Other administrative & related clerks and organisers	1176	60	5.1	493	41.9
Other administrative policy and related officers	139	8	5.8	82	59
Other information technology personnel	50	6	12	40	80
Other occupations	2	0	0	0	0
Pharmacists	111	74	66.7	1	0.9
Pharmacologists pathologists & related professionals	3	4	133.3	1	33.3
Physicists	15	0	0	4	26.7
Physiotherapy	75	3	4	30	40
Professional nurse	1868	74	4	1	0.1

Occupation	Employees as at 1 April 2010	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Notch progressions as a % of employees by occupation	Notch progressions as a % of employees by occupation
Psychologists and vocational counsellors	32	0	0	14	43.8
Quantity surveyors & rela prof not class elsewhere	1	0	0	1	100
Radiography	165	7	4.2	72	43.6
Rank: Unknown	2	0	0	0	0
Regulatory inspectors	1	2	200	0	0
Risk management and security services	3	0	0	3	100
Secretaries & other keyboard operating clerks	94	5	5.3	44	46.8
Security guards	239	1	0.4	2	0.8
Security officers	224	9	4	139	62.1
Senior managers	42	5	11.9	19	45.2
Shoemakers	4	0	0	2	50
Social sciences related	9	0	0	6	66.7
Social work and related professionals	40	7	17.5	25	62.5
Speech therapy and audiology	18	0	0	3	16.7
Staff nurses and pupil nurses	434	84	19.4	0	0
Statisticians and related professionals	5	0	0	4	80
Student nurse	2	0	0	0	0
Supplementary diagnostic radiographers	18	0	0	14	77.8
Trade labourers	492	32	6.5	298	60.6
Total	15677	1690	10.8	3560	22.7

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Table 5.6 – Promotions by salary band

Salary Band	Employees as at 1 April 2010	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), Permanent	1919	53	2.8	702	36.6
Lower skilled (Levels 1-2), Temporary	4	1	25	0	0
Skilled (Levels 3-5), Perm.	5951	257	4.3	1753	29.5
Skilled (Levels 3-5), Temp.	17	4	23.5	0	0
Highly skilled production (Levels 6-8), Permanent	2984	1875	6.2	852	28.6
Highly skilled production (Levels 6-8), Temporary	84	15	17.9	1	1.2
Highly skilled supervision (Levels 9-12), Permanent	3806	852	22.4	214	5.6
Highly skilled supervision (Levels 9-12), Temporary	57	44	77.2	3	5.3
Senior Management (Levels 13-16), Permanent	148	61	41.2	24	16.2
Contract (Levels 1-2), Perm.	115	0	0	0	0
Contract (Levels 3-5), Perm.	157	0	0	4	2.5
Contract (Levels 6-8), Perm.	161	0	0	2	1.2
Contract (Levels 9-12), Perm.	267	207	77.5	5	1.9
Contract (Levels 13-16), Perm.	7	11	157.1	0	0
Total	15677	1690	10.8	3560	22.7

Employment equity

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

6.1 – Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2011

Occupational Categories	Male					Female					Total
	African	Coloured	Indian	Total Blacks	White	African	Coloured	Indian	Total Blacks	White	
Legislators, senior officials and managers, Permanent	24	0	1	25	3	13	2	0	14	3	46
Professionals, Permanent	595	27	25	647	471	1718	111	16	1845	681	3644
Professionals, Temporary	43	0	3	46	69	9	0	1	10	19	144
Technicians and associate professionals, Permanent	594	20	2	616	68	1946	127	3	2076	480	3240
Technicians and associate professionals, Temporary	0	0	0	0	0	0	0	0	0	19	19
Clerks, Permanent	473	35	1	509	50	812	113	4	928	321	1808
Service and sales workers, Permanent	1538	47	3	1588	68	2781	169	0	2950	159	4765
Craft and related trades workers, Permanent	34	8	0	42	71	0	0	0	0	0	113
Plant and machine operators and assemblers, Permanent	115	2	0	117	2	1	0	0	1	0	118
Elementary occupations, Permanent	586	39	0	625	46	2098	57	0	2155	78	2904
Other, Permanent	19	0	0	19	2	35	1	0	36	5	62
Total	4021	178	32	4234	850	9413	580	24	10039	1763	16886
Employees with disabilities	10	0	0	10	6	7	0	0	7	3	26

6.2 – Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2011

Occupational Bands	Male					Female					Total
	African	Coloured	Indian	Total Blacks	White	African	Coloured	Indian	Total Blacks	White	
Top Management, Permanent	5	0	1	6	38	2	0	0	2	5	51
Senior Management, Permanent	44	1	6	51	51	18	2	1	21	23	146
Professionally qualified and experienced specialists and mid-management, Permanent	356	16	19	391	311	888	50	10	948	497	2147
Professionally qualified and experienced specialists and mid-management, Temporary	27	0	2	29	40	4	0	1	5	10	84
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	1026	72	5	1103	233	3014	289	11	3314	915	5565
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Temporary	16	0	1	17	15	5	0	0	5	22	59
Semi-skilled and discretionary decision making, Permanent	2123	63	1	2187	125	4059	215	1	4275	275	6862
Semi-skilled and discretionary decision making, Temporary	0	0	0	0	11	0	0	0	0	6	17
Unskilled and defined decision making, Permanent	448	26	0	474	21	1388	23	0	1411	7	1913
Unskilled and defined decision making, Temporary	0	0	0	0	3	0	0	0	0	0	3
Contract (Senior Management), Permanent	3	0	0	3	6	1	0	0	1	2	12
Contract (Professionally qualified), Permanent	50	3	4	57	48	45	3	4	52	68	225
Contract (Skilled technical), Permanent	32	0	0	32	12	89	4	1	94	63	201
Contract (Semi-skilled), Permanent	35	2	0	37	1	134	6	0	140	10	188
Contract (Unskilled), Permanent	10	0	0	10	0	15	0	0	15	0	25
Total	4175	183	39	4397	915	9661	592	29	10282	1894	17488

6.3 – Recruitment for the period 1 April 2010 to 31 March 2011

Occupational Bands	Male					Female					Total
	African	Coloured	Indian	Total Blacks	White	African	Coloured	Indian	Total Blacks	White	
Senior Management, Permanent	3	0	1	4	1	0	0	0	0	0	5
Professionally qualified and experienced specialists and mid-management, Permanent	36	1	0	37	26	44	2	0	46	35	144
Professionally qualified and experienced specialists and mid-management, Temporary	1	0	0	1	0	0	0	0	0	2	3
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	39	0	0	39	9	145	10	0	155	44	247
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Temporary	0	0	0	0	0	1	0	0	1	1	2
Semi-skilled and discretionary decision making, Permanent	351	3	0	354	5	487	4	0	491	7	857
Unskilled and defined decision making, Permanent	87	4	0	91	4	402	3	0	405	2	502
Contract (Senior Management), Permanent	2	0	0	2	2	2	0	0	2	0	6
Contract (Professionally qualified), Permanent	27	1	3	31	34	36	3	2	41	61	167
Contract (Skilled technical), Permanent	26	0	0	26	10	69	3	1	73	68	177
Contract (Semi-skilled), Permanent	58	2	0	60	1	165	8	0	173	12	246
Contract (Unskilled), Permanent	10	0	0	10	0	15	0	0	15	0	25
Total	640	11	4	655	92	1366	33	3	1402	232	2381
Employees with disabilities	1	0	0	1	0	0	0	0	0	0	1

6.4 – Promotions for the period 1 April 2010 to 31 March 2011

Occupational Bands	Male					Female					Total
	African	Coloured	Indian	Total Blacks	White	African	Coloured	Indian	Total Blacks	White	
Top Management, Permanent	1	0	1	2	4	1	0	0	1	2	9
Senior Management, Permanent	17	0	1	18	30	8	1	1	10	18	76
Professionally qualified and experienced specialists and mid-management, Permanent	281	10	24	315	242	195	15	7	217	293	1067
Professionally qualified and experienced specialists and mid-management, Temporary	9	0	1	10	26	1	0	1	2	9	47
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	345	37	2	384	61	440	107	3	550	326	1321
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Temporary	2	0	1	3	7	1	0	0	1	5	16
Semi-skilled and discretionary decision making, Permanent	635	24	1	660	73	1309	57	1	1367	135	2235
Semi-skilled and discretionary decision making, Temporary	0	0	0	0	4	0	0	0	0	0	4
Unskilled and defined decision making, Permanent	226	19	0	245	5	499	15	0	514	4	768
Unskilled and defined decision making, Temporary	0	0	0	0	1	0	0	0	0	0	1
Contract (Senior Management), Permanent	1	0	0	1	6	1	0	0	1	3	11
Contract (Professionally qualified), Permanent	63	4	3	70	63	39	2	3	44	35	212
Contract (Skilled technical), Permanent	2	0	0	2	0	0	0	0	0	0	2
Contract (Semi-skilled), Permanent	0	0	0	0	0	4	0	0	4	0	4
Total	1582	94	34	1710	522	2498	197	16	2711	830	5773
Employees with disabilities	9	0	0	9	2	3	0	0	3	1	15

6.5 – Terminations for the period 1 April 2010 to 31 March 2011

Occupational Bands	Male					Female					Total
	African	Coloured	Indian	Total Blacks	White	African	Coloured	Indian	Total Blacks	White	
Top Management, Permanent	0	0	0	0	3	0	0	0	0	0	3
Senior Management, Permanent	3	0	0	3	4	0	0	0	0	1	8
Professionally qualified and experienced specialists and mid-management, Permanent	28	0	1	29	29	71	4	0	75	47	180
Professionally qualified and experienced specialists and mid-management, Temporary	6	0	0	6	5	2	0	0	2	4	17
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	26	4	0	30	16	59	6	0	65	44	155
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Temporary	2	0	0	2	2	2	0	0	2	1	7
Semi-skilled and discretionary decision making, Permanent	81	4	0	85	3	132	4	0	136	13	237
Semi-skilled and discretionary decision making, Temporary	0	0	0	0	0	0	0	0	0	1	1
Unskilled and defined decision making, Permanent	26	0	0	26	1	61	4	0	62	2	91
Contract (Senior Management), Permanent	1	1	0	2	1	1	0	0	1	0	4
Contract (Professionally qualified), Permanent	36	2	0	38	51	44	6	0	50	66	205
Contract (Skilled technical), Permanent	53	0	0	53	7	141	2	0	143	87	290
Contract (Semi-skilled), Permanent	15	0	0	15	0	15	1	0	16	2	33
Contract (Unskilled), Permanent	17	0	0	17	0	115	0	0	115	0	132
Total	294	11	1	306	122	643	24	0	667	268	1363
Employees with disabilities	0	0	0	0	0	0	0	0	0	0	0

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	146	20	5	9	236	120	6	13	555
Professionals	377	20	107	440	559	40	27	496	2066
Technicians and associate professionals	846	36	8	98	2731	194	33	318	4264
Clerks	360	22	1	30	580	69	2	216	1280
Service and sales workers	1651	44	4	99	2341	194	3	194	4530
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	30	11	0	91	1	0	0	0	133
Plant and machine operators and assemblers	114	5	1	7	1	0	0	3	131
Elementary occupations	589	41	0	61	2170	71	2	116	3050
Total	4113	199	126	835	8505	804	73	1356	16009
Employees with disabilities	7	0	0	21	0	0	0	0	28

6.6 – Disciplinary action for the period 1 April 2010 to 31 March 2011

	MALE				Total				TOTAL
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary action	117	3	0	11	80	6	0	7	224

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6.7 – Skills development for the period 1 April 2010 to 31 March 2011

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	146	20	5	9	236	120	6	13	555
Professionals	377	20	107	440	559	40	27	496	2066
Technicians and associate professionals	846	36	8	98	2731	194	33	318	4264
Clerks	360	22	1	30	580	69	2	216	1280
Service and sales workers	1651	44	4	99	2341	194	3	194	4530

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	30	11	0	91	1	0	0	0	133
Plant and machine operators and assemblers	114	5	1	7	1	0	0	3	131
Elementary occupations	589	41	0	61	2170	71	2	116	3050
Total	4113	199	126	835	8505	804	73	1356	16009
Employees with disabilities	7	0	0	21	0	0	0	0	28

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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 6.1), salary bands (table 6.2) and critical occupations (Table 6.3).

TABLE 7.1 – Performance Rewards by race, gender, and disability, 1 April 2010 to 31 March 2011

Demographics	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per employee
African, Female	4252	8943	45.4	39,057	9,186
African, Male	1480	3989	37.1	12,550	8,480
Asian, Female	11	23	47.8	196	17,801
Asian, Male	9	32	28.1	223	24,831
Coloured, Female	386	578	66.8	4,169	10,801
Coloured, Male	85	176	48.3	800	9,410
Total Blacks, Female	4649	9973	46.6	43,422	9,340
Total Blacks, Male	1574	4197	37.5	13,573	8,623
White, Female	1074	1697	62.6	15,406	14,344
White, Male	338	767	44.1	4,958	14,668
Employees with a disability	15	26	57.7	97	6,437
Total	7650	16231	45.9	77,455	10,125

Persal/BAS reconciliation

TABLE 7.2 – Performance Rewards by salary bands for personnel below Senior Management Service, 1 April 2010 to 31 March 2011

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
Lower skilled (Levels 1-2)	624	2189	32.9	2,347	3,761	
Skilled (Levels 3-5)	2896	5758	43.4	14,839	5,124	
Highly skilled production (Levels 6-8)	1758	3001	53.5	16,825	9,571	
Highly skilled supervision (Levels 9-12)	2309	3822	57.6	41,952	18,169	
Contract (Levels 1-2)	0	6	0	0	0	
Contract (Levels 3-5)	6	83	3.2	46	7,667	
Contract (Levels 6-8)	3	327	1.5	24	8,000	
Contract (Levels 9-12)	23	155	10.2	403	17,522	
Periodical Remuneration	0	320	0	0	0	
Abnormal Appointment	0	570	0	0	0	
Total	7619	16231	43.2	76,436	10,032	

TABLE 7.3 – Performance Rewards by critical occupations, 1 April 2010 to 31 March 2011

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Administrative related	71	87	81.6	1,819	25,620
All artisans in the building metal machinery etc.	50	93	53.8	307	6,140
Ambulance and related workers	72	1161	6.2	314	4,361
Artisan project and related superintendents	9	11	81.8	102	11,333
Auxiliary and related workers	229	500	45.8	1,242	5,424
Building and other property caretakers	28	52	53.8	92	3,286
Bus and heavy vehicle drivers	45	63	71.4	281	6,244
Chemical and physical science technicians	12	12	100	189	15,750
Cleaners in offices workshops hospitals etc.	507	1214	41.8	1,937	3,821
Client inform clerks(switchbrecept inform clerks)	46	59	78	356	7,739
Communication and information related	2	4	50	80	40,000
Community development workers	19	29	65.5	227	11,947
Computer system designers and analysts	7	9	77.8	147	21,000
Dental practitioners	7	59	11.9	126	18,000
Dental therapy	0	2	0	0	0
Dieticians and nutritionists	23	54	42.6	243	10,565
Emergency services related	5	60	8.3	67	13,400
Environmental health	12	51	23.5	143	11,917
Finance and economics related	36	47	76.6	861	23,917
Financial and related professionals	47	74	63.5	543	11,553
Financial clerks and credit controllers	119	153	77.8	932	7,832
Fire fighting and related workers	0	1	0	0	0
Food services aids and waiters	90	154	58.4	432	4,800
Food services workers	4	4	100	32	8,000
General legal administration & rel. professionals	2	2	100	36	18,000
Head of department/chief executive officer	1	1	100	45	45,000
Health sciences related	1165	1910	58	21,344	18,321
Household and laundry workers	381	802	47.5	1,728	4,535
Household food and laundry services related	3	4	75	67	22,333
Housekeepers laundry and related workers	6	6	100	46	7,667
Human resources & organisatdevelopm & relate prof	35	37	94.6	500	14,286

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Human resources clerks	192	218	88.1	1,688	8,792
Human resources related	15	15	100	401	26,733
Information technology related	0	2	0	0	0
Inspectors of apprentices works and vehicles	1	3	33.3	25	25,000
Language practitioners interpreters & other commun	6	9	66.7	76	12,667
Leather workers	0	2	0	0	0
Library mail and related clerks	51	62	82.3	349	6,843
Light vehicle drivers	33	50	66	149	4,515
Logistical support personnel	57	75	76	589	10,333
Material-recording and transport clerks	163	235	69.4	1,183	7,258
Medical practitioners	79	591	13.4	1,604	20,304
Medical research and related professionals	8	6	133.3	115	14,375
Medical specialists	167	348	48	3,260	19,521
Medical technicians/technologists	14	36	38.9	123	8,786
Messengers porters and deliverers	133	206	64.6	596	4,481
Motor vehicle drivers	4	4	100	19	4,750
Natural sciences related	0	2	0	0	0
Nursing assistants	936	1877	45.1	5,505	5,881
Occupational therapy	22	63	34.9	210	9,545
Optometrists and opticians	3	4	75	69	23,000
Oral hygiene	4	5	80	34	8,500
Other administrate & related clerks and organisers	582	946	61.5	4,022	6,911
Other administrative policy and related of-ficers	96	113	85	1,252	13,042
Other information technology personnel	37	52	71.2	473	12,784
Other occupations	1	1	100	22	22,000
Pharmacists	30	194	15.5	291	9,700
Pharmacologists pathologists & related professionals	2	3	66.7	106	53,000
Physicists	7	15	46.7	221	31,571
Physiotherapy	30	69	43.5	289	9,633
Production advisers : factories	0	1	0	0	0
Professional nurse	930	1850	46.5	13,166	14,157
Psychologists and vocational counselors	7	29	24.1	119	17,000

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Quantity surveyors & rela prof not class elsewhere	0	1	0	0	0
Radiography	114	184	62	1,452	12,737
Rank: Unknown	0	62	0	0	0
Regulatory inspectors	4	4	100	40	10,000
Risk management and security services	3	3	100	40	13,333
Secretaries & other keyboard operating clerks	75	126	59.5	775	10,333
Security guards	1	13	7.7	3	3,000
Security officers	197	765	25.8	879	4,462
Senior managers	4	44	9.1	81	20,250
Shoemakers	1	3	33.3	9	9,000
Social sciences related	6	7	85.7	176	29,333
Social work and related professionals	29	45	64.4	553	19,069
Speech therapy and audiology	4	16	25	58	14,500
Staff nurses and pupil nurses	292	653	44.7	1,892	6,479
Statisticians and related professionals	5	5	100	60	12,000
Supplementary diagnostic radiographers	15	30	50	103	6,867
Trade labourers	257	469	54.8	1,138	4,428
Total	7650	16231	45.9	77,453	10,125

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TABLE 7.4 – Performance related rewards (cash bonus), by salary band, for Senior Management Service

SMS Band	No. of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R'000)	% of SMS Wage Bill	Personnel Cost SMS (R'000)
Band A	4	77	5.2	105	2,625	0.2	59,113
Band A	0	51	0	0	0	0	0
Band A	0	50	0	0	0	0	0
Band A	0	1	0	0	0	0	0
Total	4	179	2.2	105	2,625	0.2	59,113

Persal/BAS reconciliation

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 8.1 – Foreign Workers, 1 April 2010 to 31 March 2011, by salary band

Salary Band	Employment at Beginning Period	% of Total	Employment at End Period	% of Total	Change in Employment	% of Total	Total Employment at Beginning of period	Total Employment at End of period	Total change in employment
Lower skilled (Levels 1-2)	1	0.8	2	1.7	1	-8.3	132	120	-12
Skilled (Levels 3-5)	5	3.8	4	3.3	-1	8.3	132	120	-12
Highly skilled production (Levels 6-8)	8	6.1	8	6.7	0	0	132	120	-12
Highly skilled supervision (Levels 9-12)	46	34.8	36	30	-10	83.3	132	120	-12
Senior management (Levels 13-16)	6	4.5	5	4.2	-1	8.3	132	120	-12
Contract (Levels 3-5)	0	0	1	0.8	1	-8.3	132	120	-12
Contract (Levels 6-8)	5	3.8	4	3.3	-1	8.3	132	120	-12
Contract (Levels 9-12)	59	44.7	55	45.8	-4	33.3	132	120	-12
Contract (Levels 13-16)	1	0.8	4	3.3	3	-25	132	120	-12
Periodical Remuneration	1	0.8	1	0.8	0	0	132	120	-12
Total	132	100	120	100	-12	100	132	120	-12

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TABLE 8.2 – Foreign Worker, 1 April 2010 to 31 March 2011, by major occupation

Major Occupation	Employment at Beginning Period	% of Total	Employment at End Period	% of Total	Change in Employment	% of Total	Total Employment at Beginning of period	Total Employment at End of period	Total change in employment
Administrative office workers	1	0.8	0	0	-1	8.3	132	120	-12
Elementary occupations	2	1.5	2	1.7	0	0	132	120	-12
Professionals and managers	125	94.7	113	94.2	-12	100	132	120	-12
Service workers	1	0.8	2	1.7	1	-8.3	132	120	-12
Social natural technical and medical sciences+supp	3	2.3	3	2.5	0	0	132	120	-12
Total	132	100	120	100	-12	100	132	120	-12

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Leave utilisation for the period 1 January 2010 to 31 December 2010

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 9.1) and disability leave (Table 9.2). In both cases, the estimated cost of the leave is also provided.

TABLE 9.1 – Sick leave, 1 January 2010 to 31 December 2010

Salary Band	Total Days	% Days with medical certification	No. of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)	Total no. of employees using sick leave	Total no. of days with medical certification
Lower skilled (Levels 1-2)	9976.5	95.4	1040	9.4	10	2,200	11055	9514
Skilled (Levels 3-5)	41544.5	95.5	4441	40.2	9	12,295	11055	39668
Highly skilled production (Levels 6-8)	22420	91.6	2470	22.3	9	11,369	11055	20545
Highly skilled supervision (Levels 9-12)	23876.5	93	2806	25.4	9	22,803	11055	22194
Senior management (Levels 13-16)	304.5	88.3	50	0.5	6	968	11055	269
Contract (Levels 1-2)	25	88	7	0.1	4	4	11055	22
Contract (Levels 3-5)	57	94.7	12	0.1	5	19	11055	54
Contract (Levels 6-8)	840.5	83	147	1.3	6	352	11055	698
Contract (Levels 9-12)	385	82.3	79	0.7	5	461	11055	317
Contract (Levels 13-16)	13	100	3	0	4	37	11055	13
Total	99442.5	93.8	11055	100	9	50,508	11055	93294

TABLE 9.2 – Disability leave (temporary and permanent), 1 January 2010 to 31 December 2010

Salary Band	Total Days	% Days with medical certification	No. of employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)	Total no. of days with medical certification	Total no. of employees using disability leave
Lower skilled (Levels 1-2)	705	99.9	26	10.2	27	160	704	256
Skilled (Levels 3-5)	3363	100	99	38.7	34	1,051	3362	256
Highly skilled production (Levels 6-8)	1909	100	64	25	30	980	1909	256
Highly skilled supervision (Levels 9-12)	2638	100	62	24.2	43	2,552	2638	256
Senior management (Levels 13-16)	15	100	1	0.4	15	56	15	256
Contract (Levels 6-8)	34	100	3	1.2	11	15	34	256
Contract (Levels 9-12)	23	100	1	0.4	23	33	23	256
Total	8687	100	256	100	34	4,847	8685	256

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Table 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 9.3 – Annual Leave, 1 January 2010 to 31 December 2010

Salary Band	Total Days Taken	Average days per employee	Number of employees who took leave
Lower skilled (Levels 1-2)	28,864.24	21	1404
Skilled (Levels 3-5)	130,543.88	21	6123
Highly skilled production (Levels 6-8)	71,589.62	22	3230
Highly skilled supervision (Levels 9-12)	92,628.6	23	4103
Senior Management (Levels 13-16)	3,754.08	23	166
Contract (Levels 1-2)	262	13	20
Contract (Levels 3-5)	290	14	21
Contract (Levels 6-8)	3,250.84	17	194
Contract (Levels 9-12)	3,881	17	231
Contract (Levels 13-16)	166	18	9
Total	335,230.26	22	15501

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TABLE 9.4 – Capped leave, 1 January 2010 to 31 December 2010

	Total days of capped leave taken	Average no. of days taken per employee	Average capped leave per employee as at 31 Dec. 2010	No. of employees who took capped leave	Total no. of capped leave available at 31 Dec. 2010	No. of employees as at 31 Dec. 2010
Lower skilled (Levels 1-2)	94	5	22	19	9735	438
Skilled (Levels 3-5)	867	5	31	177	82683	2693
Highly skilled production (Levels 6-8)	849	5	37	176	60029	1612
Highly skilled supervision (Levels 9-12)	1296	6	42	230	81631	1947
Senior Management (Levels 13-16)	91	189	42	5	4464	107
Total	3197	5	35	607	238542	6797

*HR Oversight Report***TABLE 9.5 – Leave payouts for the period 1 April 2010 to 31 March 2011**

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

REASON	Total Amount (R'000)	Number of Employees	Average payment per employee
Leave payout for 2010/11 due to non-utilisation of leave for the previous cycle	R88,440.83	53	R1,668.69
Leave payouts on termination of service for 2010/11	R404,483.20	53	R7,631.76
Leave payouts on retirement for 2010/11 (Capped leave)	R1,548,684.54	47	R32,950.73
Leave payouts on retirement for 2010/11 (New leave)	R517,662.88	54	R9,586.35
Leave payouts on death for 2010/11 (Capped leave)	R627,516.03	11	R57,046.91
Leave payouts on death for 2010/11 (New leave)	R263,373.65	21	R12,541.60
Total	R3,450,161.13	239	R121,426.04

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HIV and AIDS & health promotion programmes

TABLE 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
All Professional nurses, All Doctors, Emergency Medical Services, Laundries personnel, and Forensic Pathology Services.	Infection Control Policy, Health Promotion Risk awareness, Post Exposure Prophylaxes.(PEP)

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TABLE 10.2 – Details of Health Promotion and HIV and AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		Me. Mabitle. (HR)
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		Employee Health and Well-ness Programme.
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	X		-Educational Programmes, Therapeutic consultations, Stress management trainings and referrals.
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	X		Health and Wellness Committee
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X		Non Discrimination, Job security
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X		Non Discrimination, Job security
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	X		HCT promotion.38 events-1500 employees participated
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	X		Programme utilisation.

Labour relations

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

TABLE 11.1 – Collective agreements, 1 April 2010 to 31 March 2011

Subject Matter	Date
None	

If there were no agreements, then use the following table

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

TABLE 11.2 – Misconduct and disciplinary hearings finalised, 1 April 2010 to 31 March 2011

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	4	5.80
Verbal warning	13	18.84
Written warning	14	20.29
Final written warning	20	28.90
Suspended without pay	7	10.14
Fine	0	0
Demotion	1	1.44
Dismissal	10	14.49
Not guilty	0	0
Case withdrawn	0	0
Total	69	100

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If there were no disciplinary hearings, then use the following table

Disciplinary hearings – 2010/11	None
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TABLE 11.3 – Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	% of total
Incapacity (Poor performance other than incapacity to perform)	4	5.80
Theft of Hospital property	6	8.69
Fails to carry out lawful order or instruction without just or reasonable cause	2	2.89
Unauthorized transfer	1	1.44
Misconduct	5	7.24
Irregular Expenditure	1	1.44
Assault	3	4.34
Fraud	6	8.69
Misrepresentation	1	1.44
Obstructing security officials from performing their duties and absenteeism	1	1.44
Insubordination / RWOPS	2	2.89
Absenteeism	9	13.04
Use of abusive / vulgar language	1	1.44
Support Circular No. 1/2003, dishonesty and falsification of patient records	2	2.89
Contravened Chapter 2 (SOP) regarding the mishandling of patients	1	1.44
Drunk and driving	3	4.34
Misuse of state vehicle	2	2.89
Drunk on duty	2	2.89
Negligence	1	1.44
Fraud and Absenteeism	1	1.44
Dismissal	6	8.69
Insolence	2	2.89
Non-compliance with a regulation	7	10.14
TOTAL	69	100

HR Oversight Report

TABLE 11.4 – Grievances lodged for the period 1 April 2010 to 31 March 2011

	Number	% of Total
Number of grievances resolved	54	14.75
Number of grievances not resolved	312	85.20
Total number of grievances lodged	366	100

HR Oversight Report

TABLE 11.5 – Disputes lodged with Councils for the period 1 April 2010 to 31 March 2011

	Number	% of Total
Number of disputes upheld	1	0.75
Number of disputes dismissed	9	6.71
Total number of disputes lodged	134 (Others are withdrawn or awaiting notices)	

*HR Oversight Report***TABLE 11.6 – Strike actions for the period 1 April 2010 to 31 March 2011**

Total number of person working days lost	23610
Total cost (R'000) of working days lost	0
Amount (R'000) recovered as a result of no work no pay	0

*HR Oversight Report***TABLE 11.7 – Precautionary suspensions for the period 1 April 2010 to 31 March 2011**

Number of people suspended	
Number of people whose suspension exceeded 30 days	18
Average number of days suspended	161
Cost (R'000) of suspensions	R1,615,961.38

*HR Oversight Report***Skills development**

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

12.1 – Training needs identified 1 April 2010 to 31 March 2011

Occupational Categories	Gender	Number of employees as at 1 April 2010	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	375		375		375
	Male	180		180		180
Professionals	Female	1122		1122		1122
	Male	1044		1044		1044
Technicians and associate professionals	Female	3276		3276		3276
	Male	1088		1088		1088

Occupational Categories	Gender	Number of employees as at 1 April 2010	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Clerks	Female	867		867		867
	Male	413		413		413
Service and sales workers	Female	2732		2732		2732
	Male	1798		1798		1798
Skilled agriculture and fishery workers	Female	0		0		0
	Male	0		0		0
Craft and related trades workers	Female	1		1		1
	Male	132		132		132
Plant and machine operators and assemblers	Female	4		4		4
	Male	127		127		127
Elementary occupations	Female	2359		2359		2359
	Male	691		691		691
Sub Total	Female	10736		10736		10736
	Male	5473		5473		5473
Total		16209		16209		16209

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12.2 – Training provided 1 April 2010 to 31 March 2011

Occupational Categories	Gender	Number of employees as at 1 April 2010	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	70	0	70	0	70
	Male	15	0	15	0	15
Professionals	Female	1603	0	1500	734	3837
	Male	900	0	751	190	1841
Technicians and associate professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Clerks	Female	0	0	0	0	0
	Male	0	0	0	0	0
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0

Occupational Categories	Gender	Number of employees as at 1 April 2010	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	242	0	0	432	674
	Male	74	0	0	113	187
Sub Total	Female	1915	0	1570	1166	4581
	Male	989	0	766	303	2043
Total		2904	0	2336	1469	6624

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Injury on duty

The following tables provide basic information on injury on duty.

TABLE 13.1 – Injury on duty, 1 April 2010 to 31 March 2011

Nature of injury on duty	Number	% of total
Required basic medical attention only	176	1.05%
Temporary Total Disablement	N/A	
Permanent Disablement	N/A	
Fatal	1	0.001%
Total	177	1.051%

HR Oversight Report

Utilisation of consultants

Table 14.1 – Report on consultant appointments using appropriated funds

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand

Table 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

Table 14.3 – Report on consultant appointments using Donor funds

Project Title	Total Number of consultants that worked on the project	Duration: Work days	Donor and Contract value in Rand
EU: PDPHCP (M & E Consultant)	1	5 days	R41 000.00
EU: PDPHCP (Determination of NPO status)	1	3 months	R150 000.00
Ireland Aid: ICAM Analysis	1	6 months	R51 300.00
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
1	1		R150 000.00
1	1		R41 000.00
1	1		R51 300.00

Table 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
EU: PDPHCP	100%	100%	1
EU: PDPHCP	100%	100%	1
Ireland Aid	0 (80% price preference- disabled)	0	0



Other Information

OTHER INFORMATION

Acronyms

Acronyms

3MIL

ACSA

AFP

ALOS

ALS

ANC

APP

ART

ARV

AZT

BANC

BAS

BBBEE

BFHI

BOR

CAAM

CCMT

CFO

CHBC

CHC

CHCW

ChPIP

CPD

DHIS

DHS

DM

DOT

DOTS

DWA

EDR

EGPAF

Definitions

3 Military Hospital

Airport company of South Africa

Acute Flaccid Paralysis

Average Length of Stay

Advanced Life Support

Ante – natal care

Annual Performance Plan

Anti – Retroviral Treatment

Anti Retroviral

Zidovudine

Basic Antenatal Care

Basic Accounting System

Broad Based Black Economic Empowerment

Baby Friendly Hospital Initiative

Bed Occupancy Rate

Continuous Auditing And Monitoring

Comprehensive Care, Management & Treatment of HIV and AIDS

Chief Financial Officer

Community Home Based Care

Community Health Centre

Community Health Care Worker

Child Problem Identification Program

Continuous Professional Development

District Health Information System

District Health Services

District Municipality

Directly Observed Treatment

Directly Observed Treatment Support

Department of Water Affairs

Electronic Drug Resistant Register

Elizabeth Glacier Paediatric AIDS Foundation

EHP	Environmental Health Practitioner
EMS	Emergency Medical Care
<i>ENE</i>	Estimate's of National Expenditure
EPE	Estimate's of Province Expenditure
CANSA	Cancer Association of South Africa
EPI	Expanded Program on Immunization
ESMOE	Essential Steps in the Management of Obstetric Emergencies
FHS:CUT	Faculty of Health Sciences: Central University of Technology
FHS:UFS	Faculty of Health Sciences: University of Free State
FSDoH	Free State Department of Health
FSSoN	Free State School of Nursing
HAART	Highly Active Antiretroviral Treatment
HAST	HIV&AIDS/STI and TB
HCT	HIV Counselling and Testing
HTA	High Transmission Areas
ICAP	International Centre for AIDS Care and Treatment Programs
ICT	Information Communication Technology
IDP	Integrated Development Plan
IEC	Information, Education and Communication
ILS	Intermediate Life Support
IMCI	Integrated Management of Childhood Illnesses
IPT	Isoniazid Preventive Therapy
LTDOT	Long Term Domiciliary Oxygen Therapy
MDG	Millennium Development Goal
MDR-TB	Multi Drug Resistant Tuberculosis
MHRB	Mental Health Review Boards
MHS	Municipal Health Services
MMC	Medical Male Circumcision
MMR	Maternal Mortality Ratio
MTEF	Medium Term Expenditure Framework
NCCEMD	National Committee on Confidential Enquiries into Maternal Deaths
NDoH	National Department of Health
NHLS	National Health Laboratory Services
NIMART	Nurse Initiated Management of Anti- Retroviral Treatment

NPO	Non-Profit Organisation
OPD	Out Patient Department
OSD	Occupation Specific Dispensation
PCR	Polymerase Chain Reaction
PCV	Pneumococcal Conjugate Vaccine
PDE	Patient Day Equivalent
PEP	Post Exposure Prophylaxis
PFMA	Public Finance Management Act
PHC	Primary Health Care
PICT	Provider Initiated Counselling and Testing
PLWA	People Living With HIV and AIDS
PMTCT	Prevention of Mother to Child
PMTCT	Prevention of Mother to Child Transmission
PPIP	Perinatal Problem Identification Program
PPPFA	Preferential Procurement Policy Framework Act
PSMM	Professional Skills Mix Model
QIPs	Quality Improvement Plans
RV	Rotavirus
SAC	Senior Admin Clerk
SANAC	South African National AIDS Council
SANS	South African National Standards
SCM	Supply Chain Management
SDF	Step Down Facility
SDIP	Service Delivery Improvement Plan
SETA	Sector Education and Training Authority
SMME	Small Medium Micro Enterprise
STI	Sexually Transmitted Infection
STP	Service Transformation Plan
TOP	Termination of Pregnancy
UAH	Universitas Academic Hospital
<i>UNICEF</i>	United Nations Children's Funds
URC	University Research Council
MEC	Member of Executive Council
VCCT	Voluntary Confidential Counselling and Testing
<i>WHO</i>	World Health Organisation
XDR-TB	Extreme Drug Resistant TB

STATS SA	Statistics South Africa
HSRC	Human Sciences Research Council
GP	General Practitioners
TP	Traditional Practitioners
SLA	Service Level Agreement
GMT	Government Motor Transport
PPT	Planned Patient Transport
NGO	Non Governmental Organizations
SANDF	South African National Defence Force
GRAP	Generally Accepted Accounting Principles
IT	Information Technology
RAF	Road Accident Fund
EPWP	Expanded Public Works Programme
SAPC	South African Pharmacy Council
QRS	Quarterly Review System
O&G	Obstetric & Gynea
COHSASA	Council for Health Service Accreditation of South Africa
NHI	National Health Insurance
ICU	Intensive Care Unit
ABET	Adult Basic Education and Training
FET	Further Education and Training
NYS	National Youth Service
MUCPP	Mangaung University of the Free State Community Partnership Programme
FSSON	Free State School of Nursing
PPP	Public Private Partnership
PSCBC	Public Service Coordinating Bargaining Council
RWOPS	Remunerative Work Outside Public Service
SOP	Standard Operating Procedures
HDI	Historically Disadvantaged Individuals
EU: PDPHCP	European Union- Program of Partnerships for the Delivery of Primary Health Care Programs
ICAM	Interactive Communication and Management System



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