



# FREE STATE DEPARTMENT OF HEALTH

## Annual Report 2007/2008

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## **VISION**

A healthy and self-reliant Free State community

## **Mission**

The Department:

Provides quality, accessible and comprehensive Health Services to the Free State community,

Optimally utilises resources to provide caring and compassionate services

Empowers and develops all personnel and stakeholders.

## **Values**

The key determinants of relationships within the department are:

- Accountability,
- Batho Pele,
- Botho,
- Commitment,
- Integrity and
- Inter-dependence

## **Key enablers**

- Internal and inter departmental team approach
- Government Cluster approach and inter sectoral collaboration
- Recognition that the department is a learning organisation,
- Communication (internal and external),
- Innovation
- Partnerships



## **REGULATORY ENVIRONMENT**

**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)

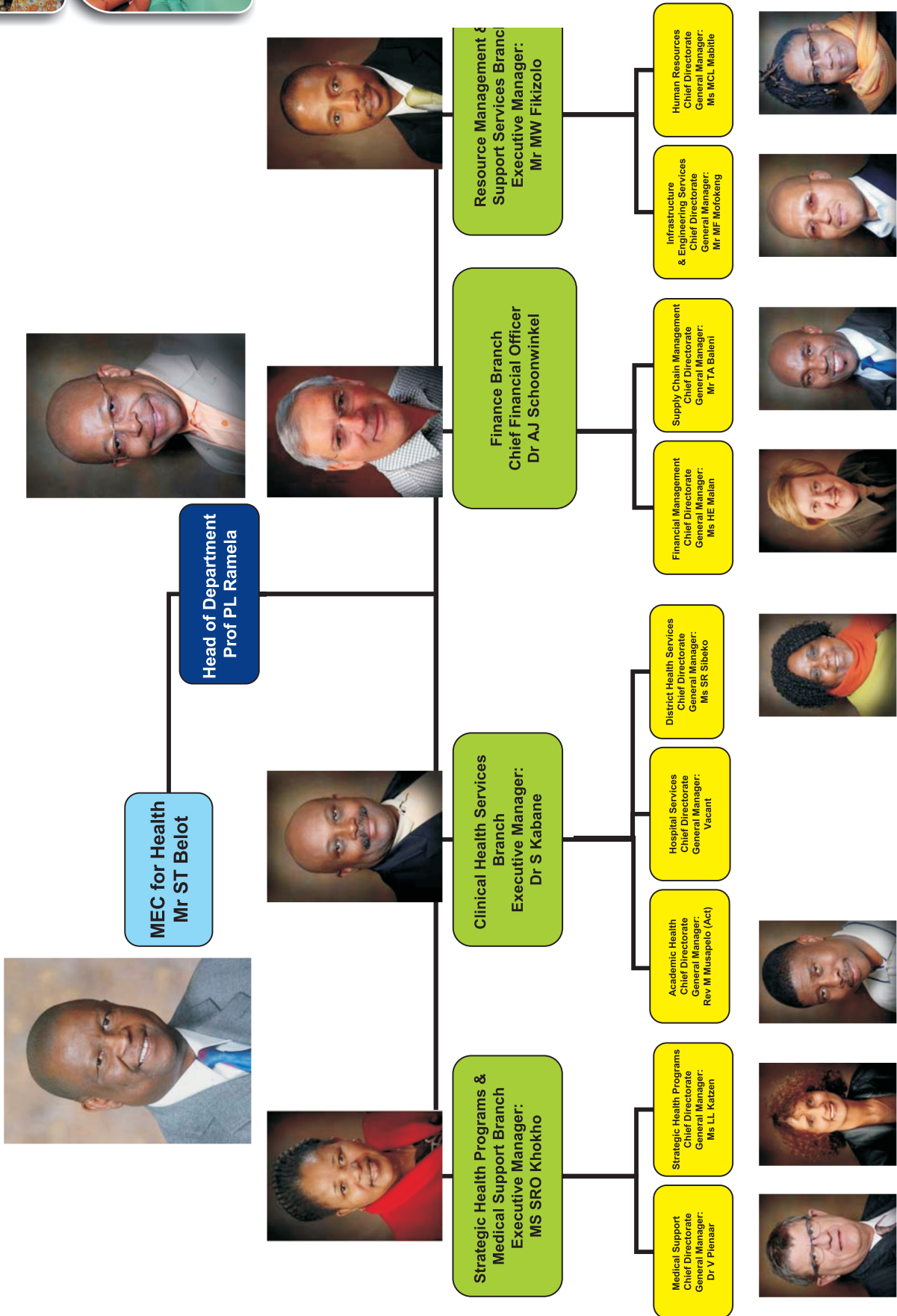
### **Health Sector Legislation**

- 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, 1978 (Act No. 50 of 1978)
- 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 Substances Act, 1973 (Act No. 15 of 1973)
- Health and Welfare Matters Second Amendment Act, 1993 (Act No.180 of 1993)



## FREE STATE PROVINCE Department of Health

### TOP MANAGEMENT





## REPORT OF THE EXECUTIVE AUTHORITY

I hereby confirm that the Annual Report for 2007/08 accurately reflects the performance of the Free State Department of Health and that it is in line in line with the Annual Performance Plan for the same period. This report gives an account to the stakeholders of the service delivery according to the mandate of the department

**The Annual Performance Plan was aligned with the political and strategic direction of the following:**

- Free State Growth and Development plan,
- 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 Plan
- National Department of Health Strategic Plan 2005/ 2006 to 2007/2008

District Health plans are approved by District Health Councils. This department participated in a series of activities to support development of IDPs of Local government and encouraged alignment of these with the District Health Plans

The department continues to be a major contributor to the success of the Free State Growth and Development strategy.

In particular, the department made a major contribution to the Free State economy with particular reference to economic empowerment of previously disadvantaged individuals. The figures for the 2007/08 financial year for the Free State Department of Health illustrate this:

Free State Growth and Development strategy indicator	2007/08 actual
R value of contracts from FSPG awarded in total	R 162,164,992.42
R value of contracts from FSPG awarded to FS companies (Actual )	R 84,346,704.13
Number of contracts awarded by Provincial Departments (Actual)	49
Number of contracts awarded by FSPG to FS companies (Actual)	19
Number of contracts awarded to FS black empowerment and HDI companies (Actual)	23
% of Contracts awarded to BEE/HDI companies by value (Actual)	46.65
R (million) of contracts from FSPG awarded to FS based BEE/HDI companies (Actual)	R81,096,294.59

It has been necessary to consolidate the achievements in transforming the department in order to fulfill the mandate of rendering health services of the highest affordable quality to the communities we serve.

**Mr ST Belot: MEC for Health Free State Provincial Legislature**  
**Date: 31 May 2008**



## FREE STATE PROVINCE Department of Health

The 2007/08 financial year presented challenges to the department that were not dissimilar to the preceding years. The Executive Management wishes to thank all our colleagues in management and in our service delivery units who understood our challenges and made serious contributions to reverse the growing trend of over expenditure in the department. Whilst these management measures may have stifled growth in certain clinical areas they were necessary if future allocations were to be used more efficiently and effectively.

The allocated budget of R 3,643,438 billion was used to deliver on the mandate of health service delivery as follows:

- R209, 301 million, was allocated to respond to the additional needs in management of the Department. Provision was also made for the filling of vacant posts to increase efficiency.
- The largest portion of the budget, an amount of R1,303,960 million was allocated to Primary Health Care Services at clinic and district hospital services. This is where patients enter the referral system
- An amount of R189, 129 million was allocated to strengthen Emergency Medical Services. Thus an increase of 25, 2% which was the highest increase of all budget programs.
- Regional and Central Hospital Services were allocated R962,153 million, an increase of 7,8%, and R651,419 million, (an increase of 6,7%). Priorities here included appropriate to increasing number of patients, an increased number of institutions implementing the appropriate service package and for to provide outreach programmes
- Health Sciences received R111, 964 million, an increase of 13, 3%, to fund the training needs in the Department. This also makes provision for an increase of the student intake and the implementation of the expanded education and training programme for mid-level workers and professional nurses.
- An amount of R178, 910 million was allocated to fund the current revitalisation and infrastructure projects. The increase of 18.7% funded the fast tracking of various infrastructure projects.

The main challenge going forward is to continue upgrading all our facilities, both hospitals and clinics. Our medical equipment and IT infrastructure should support our mandate of delivering quality health care. We endeavour to recruit and retain health personnel and will continue the effort to accelerate training in health care in an equitable manner. I sincerely thank all our personnel for their dedication.

**Prof PL Ramela: Head of Department**  
**Date: 31 May 2008**



**Table 1: Budget allocation and expenditure incurred in 2007/08**

Budget allocation	2005/06 R' 000	2006/07 R' 000	2007/08 R' 000
Original budget	3,076,013	3,249,613	3,643,438
Rollovers	42,315		
Additional adjustments			100,962
<b>Final budget appropriated (adjustments budget)</b>	<b>3,118,328</b>	<b>3,369,410</b>	<b>3,744,400</b>
<b>Total expenditure</b>	<b>3,121,275</b>	<b>3,461,336</b>	<b>3,833,997</b>
(Over)/under expenditure	(2,947)	(91,926)	(89,597)
(Over)/under-expenditure (%)			102.39%

Source: BAS System

## SITUATION ANALYSIS

The analysis focuses on issues that affect both the health of the target population and the management as well as delivery of the designated health services within the mandate of the department.

## EPIDEMIOLOGICAL PROFILE

### Free State Population

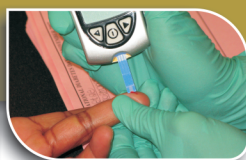
Gender	2001 census	2004 mid year estimates	2005 mid year estimates	2006 mid year estimates	2007 mid year estimates
Male	1 297 605	1 305 420	1 308 294	1 457 100	1 476 414
Female	1 409 170	1 450 831	1 465 939	1 501 700	1 623 805
<b>Total</b>	<b>2 706 755</b>	<b>2 756 251</b>	<b>2 774 233</b>	<b>2 958 800</b>	<b>2 909 687</b>

Source: 2006 DHIS Mid-year estimates (Statistics South Africa).

**Table 2: Trends in key provincial mortality indicators PHC and Hospital**

Indicator	Free State Mortality database (Jan – Dec 05)	Free State Mortality database (Jan – Dec 06)	Target
Infant mortality (under 1) <sup>1</sup>	66.1 per '000 pop under 1yr	62.0 per '000 pop under 1yr	45 per 1,000 live births by 2006
Child mortality (under 5)	18.4 per '000 pop under 5yr	17.2 per '000 pop under 5yr	59 per 1,000 live births by 2006
Maternal mortality	267.6 per '00,000 live births	372.2 per '00,000 live births	100 per 100,000 live births by 2006

Source: Free State Department of Health Mortality database. No information available for 2007/2008.



## FREE STATE PROVINCE Department of Health

September 2007)

Cause of death	Cases	Percentage of total cases (total = 30 818)	Per 100 000 population
Respiratory system	5241	25.9	188.9
*Infectious and parasitic diseases	4512	22.3	162.6
Symptoms, signs and ill-defined causes	4125	20.4	148.7
Circulatory system	2132	10.5	76.9
Nervous system	1278	6.3	46.1
Endocrine, nutritional and metabolic disorders	837	4.1	30.2
Neoplasms	729	3.6	26.3
External causes	703	3.5	25.3
Pregnancy, childbirth and puerperium	471	2.3	17.0
Digestive system	202	1.0	7.3
<b>Total</b>	<b>20230</b>	<b>100</b>	<b>729.2</b>

Source: 2007 DHIS Mid-year estimates (Statistics South Africa) Total Population = 2 909 687.

### Top 5 causes of deaths under 1 year in Free State (January to December 2006)

Causes of death	Reported Cases	% of total cases (total = 3527)
Preterm delivery	762	21.6
Pneumonia (unspecified)	601	17.0
Other ill-defined and unspecified causes of mortality	465	13.2
Diarrhoea and gastroenteritis	382	10.8
Nutritional deficiency (unspecified)	93	2.6

Source: 2006 DHIS Mid-year estimates (Statistics South Africa). No data available for 2007.

### Under 5 years mortality (January to December 2006)

Causes of death	Reported Cases 2006	% of total notified cases (total = 3102)
Pneumonia (unspecified)	578	18.6
Other ill-defined and unspecified causes of mortality	499	16.1
Preterm delivery	408	13.2
Diarrhoea and gastroenteritis	308	9.9
Broncho-pneumonia (unspecified)	185	6.0

Source: Free State Department of Health Mortality Database. No data available for 2007.

**Table 4: Notifiable conditions**

Notifiable condition	Type	05/06	06/07	07/08
Acute Flaccid Paralysis	No	0	0	0
Cholera	No	0	0	0
Malaria	No	54	18	4
Measles	No	1	0	0
Meningococcal infection	No	7	5	0
Poisoning agricultural stock remedies	No	56	71	37
Tuberculosis (all types)	No	19959	22220	24267
Typhoid	No	2	0	2
Viral hepatitis (total)	No	60	31	19

Source: DHIS Data for 2007/08.

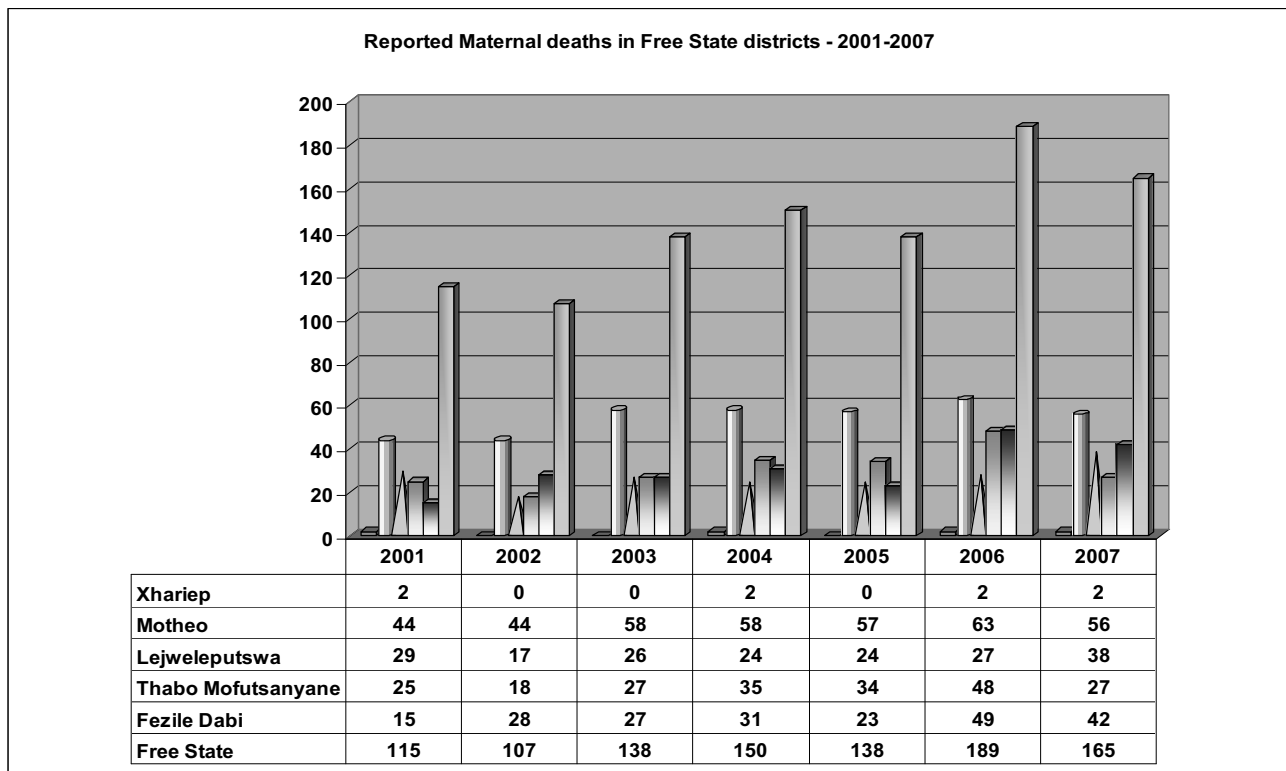


## TUBERCULOSIS

### TB Cure Rate of new TB cases (2006)

- Smear conversion rate at 2 months 67.9%.
- Late conversion at 3 months 79.2%.

## MATERNAL MORTALITY



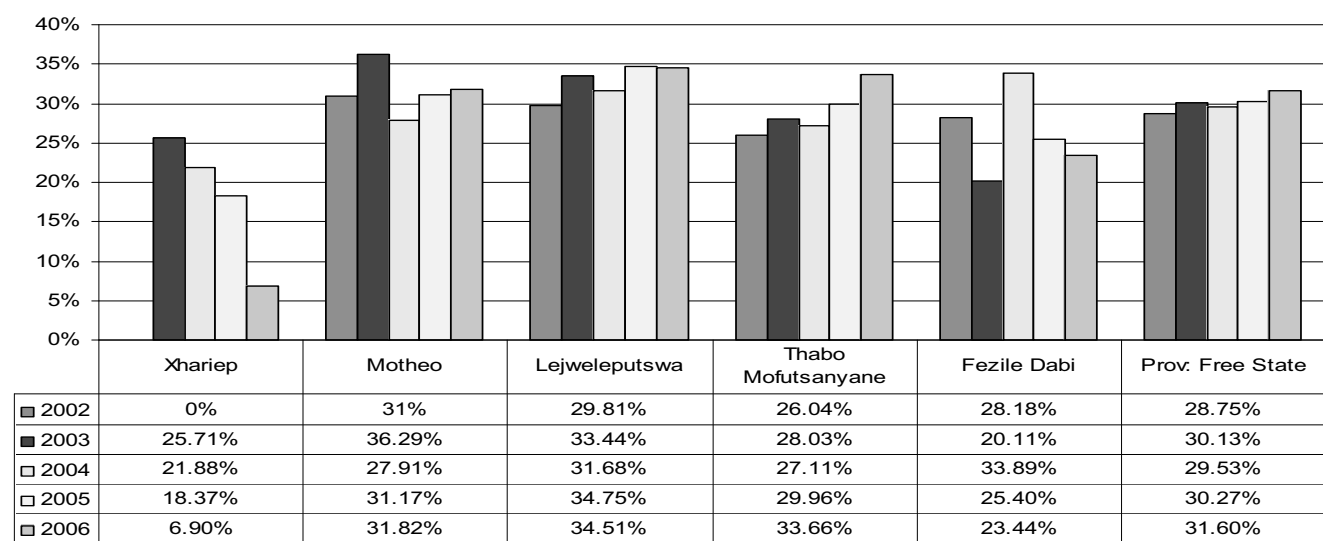
The Maternal Death Notification Programme aims to reduce the rate of maternal deaths without HIV and AIDS by 50% and to reduce those with HIV and AIDS by 25%.

### **Some interventions include**

- Training of Midwives on the correct use of the partogram was conducted in all districts. This ensures proper management of women in labour.
- The province ensures training of advanced midwives. 30 facilities that conduct deliveries in the province have advanced midwives.
- Screening for communicable and non-communicable diseases available as part of Primary Health Care package.
- CD4 count testing is provided to all HIV positive pregnant women at a point of HIV diagnosis, to fast-track them to enrol on ARVs, thus aiming at reducing HIV and AIDS related deaths.
- Nine (9) designated TOP facilities - of which six are "TOP by choice" facilities – render the service in the Free State.



### Antenatal survey results of Free State districts: 2002 to 2006



Source: Free State Province report of the national HIV and syphilis sero-prevalence survey of women attending public antenatal clinics in South Africa – 2006

The provincial estimates show very little change during the last 5 years, fluctuating between 28.75% and 31.60%.

- The sample size achieved in Free State province for the syphilis component of the study is inadequate considering the very low prevalence of the disease but narrow Confidence Interval range of the estimate indicates reasonable accuracy.
- The sero-prevalence rate among antenatal patients increased marginally from 30.1% in 2003, to 31.1% in 2006.
- The national prevalence of Syphilis for this study in 2005 is 2.7 and current provincial figure of 2.99 compares favourably with the prevalence of 3.8 reported for the years 2003 and 2004.
- HIV infection is the highest among women in their late twenties. Clearly, more efforts need to be directed at the youth and this age group in order to make a visible impact.
- The Free State has a population of approximately 2 795 556 (2006 ASSA) model estimates people of which it is estimated that about 388 000 people are living with HIV and AIDS. A total of 22,389 patients were registered for ART by the end of 2007/2008.

### PROGRESS TOWARDS EQUITY

The costly tertiary care for the whole province and beyond is provided at Bloemfontein and the secondary care is distributed across the province; at least one Secondary Care hospital in each region.



## EQUITY

### Comparison of District Health Services budget per district

District	% of total Free State population	2004/2005	% of total District budget	2005/2006	2006/07	2007/08	% of total District budget
Xhariep	5.11	59,451,680	6.31	75 386 607	86 801 986	77,596,375	7.16
Motheo	27.23	271,983,287	30.94	305 158 002	340 531 197	335,890,591	31.01
Lejweleputswa	23.63	152,510,499	20.17	172 696 898	190 871 243	208,118,131	19.21
Fezile Dabi	16.94	127,093,868	15.12	148 896 797	192 635 225	166,226,070	15.34
Thabo Mofutsanyana	27.09	239,248,996	27.46	270 762 754	305 586 018	295,494,126	27.38
<b>Total</b>	<b>100</b>	<b>850 288 330</b>	<b>100</b>	<b>972 901 058</b>	<b>1 116 425 669</b>	<b>1,083,325,293</b>	<b>100</b>

*The amounts above include the budgeted amounts for District Health Services and also District Hospitals and Admin costs*

Budgets from year to year are based on PDEs per hospital and amount of clinic visits per population member. This causes the different districts to have a different percentage of the total budget from year to year. Important mandates are also prioritized. These factors influence the total budget per district in any particular year. The cost efficiency of services will clearly have an impact.

The table above indicates that Primary Health Care allocation per capita is similar in all districts except Motheo district, which consistently receives >30% allocation while serving 27.09% of the population. Thabo Mofutsanyana, on the other hand, serves the same proportion of the population, but receives 3% less of the allocation. Lejweleputswa serves 23.63% of the population and receives 17.25 % of the allocation. Fezile Dabi and Xhariep allocations are more or less in line with the % of the population that they serve. However, both Xhariep and Thabo Mofutsanyana are poor rural areas with the most dispersed population over large areas. This could require a greater per capita allocation to ensure access. However both these districts experience difficulty in attracting and retaining professional health staff.



## FREE STATE PROVINCE Department of Health

### BUDGET PROGRAMME PERFORMANCE: VOTE 5

Table 5: Evolution of expenditure by budget sub-programme

Programme	2004/2005	2005/2006	2006/07	2007/2008	Variance -% under/ over- expenditure
	Exp R'000	Exp R'000	Exp R'000	Exp R'000	
<b>Programme 1: Administration</b>	<b>159,232</b>	<b>142,866</b>	<b>154,665</b>	<b>189,997</b>	<b>95.91%</b>
MEC	2,639	2,978	3,219	599	24.53%
Provincial Management	156,593	139,888	151,446	185,850	96.81%
Theft & Losses	6,475	3,682	6,092	3,548	
<b>Programme 2: District Health Services</b>	<b>1,034,995</b>	<b>1,137,573</b>	<b>1,290,966</b>	<b>1,408,370</b>	<b>102.97%</b>
District Management	31,758	86,459	78,147	50,089	91.10%
Community Health Clinics	165,721	188,991	191,641	237,252	116.130%
Community Health Centres	30,160	35,017	48,555	61,355	112.90%
District Hospitals	515,669	482,414	528,573	583,175	105.38%
Community Based Services	200,643	222,978	248,227	240,580	99.78%
Other Community Services	541	-	-	-	-
Coroner services	190	316	35,592	54,486	78.61%
HIV/AIDS	75,911	108,969	151,690	170,032	93.81%
Nutrition	14,402	12,429	8,541	11,401	125.70%
<b>Programme 3: Emergency Medical Services</b>	<b>123,648</b>	<b>146,339</b>	<b>164,704</b>	<b>191,585</b>	<b>100%</b>
Emergency Transport	110,099	133,346	152,861	189,904	101.00%
Planned Patient Transport	13,549	12,993	11,843	1,681	47.33%
<b>Programme 4: Provincial Hospital Services</b>	<b>797,822</b>	<b>856,209</b>	<b>951,963</b>	<b>997,366</b>	<b>104.17%</b>
General Hospitals	678,054	730,083	820,054	820,821	101.25%
Psychiatric/Mental Hospitals	119,768	126,126	131,909	176,545	120.26%
<b>Programme 5: Central Hospital Services</b>	<b>462,621</b>	<b>543,235</b>	<b>599,443</b>	<b>693,694</b>	<b>101.13%</b>
Central Hospitals Services	462,621	342,491	360,165	438,911	98.59%
Provincial Tertiary Hospitals Services	-	200,744	239,278	254,783	105.82%
<b>Programme 6: Health Sciences and Training</b>	<b>90,949</b>	<b>95,873</b>	<b>98,149</b>	<b>98,727</b>	<b>86.80%</b>
Nurse training colleges	61,608	46,605	57,166	(36)	
EMS training colleges	927	1,611	-	-	
Bursaries	9,215	19,247	9,694	9,689	99.77%
Primary Health Care Training	12,581	16,607	18,243	74,786	87.00%
Other training	6,618	11,803	13,046	14,288	79.08%
<b>Programme 7: Health Care Support Services</b>	<b>24,979</b>	<b>24,544</b>	<b>37,967</b>	<b>43,311</b>	<b>95.59%</b>
Laundries	39,969	46,328	52,460	54,051	97.38%
Orthotic and Prosthetic Services	6,615	6,721	8,086	7,950	84.13%
Medicine (MEDPAS) Trading Account	-	2,000	2,000	2,000	100.00%
Internal Charges	(21,605)	(30,505)	(24,579)	(20,690)	74.21%
<b>Programme 8: Health Facilities Management</b>	<b>94,190</b>	<b>170,953</b>	<b>157,387</b>	<b>210,947</b>	<b>134.03%</b>
Community Health Facilities	20,724	28,321	10,549	-	
District Hospital Services	24,011	48,063	97,225	134,596	118.08%
Provincial Hospital Services	48,521	94,569	49,613	76,351	94.94%
Central Hospital Services	934	-	-	-	-
<b>TOTAL VOTE 5</b>	<b>2,794,911</b>	<b>3,121,275</b>	<b>3,461,336</b>	<b>3,833,997</b>	<b>108.51%</b>

Source: BAS System



**Table 6: Evolution of expenditure by budget per capita sub-programme  
(Constant 2007/08 prices)**

	2003/04	2004/05	2005/06	2006/07	2007/2008
Total Population	2,857,519	2,857,519	2,857,519	2,857,519	2,857,519
% insured	14.8%	14.8%	14.8%	14.8%	14.8%
Uninsured population	2,434,606	2,434,606	2,434,606	2,434,606	2,434,606
Conversion to constant 2006/07 prices	1.085	1.041	1.000	0.953	0.909
<b>EXPENDITURE PER CAPITAL UNINSURED</b>					
Programme	R'000	R'000	R'000	R'000	R'000
Programme 1: Administration	120,141	135,666	121,722	294,746	227,838
Programme 2: District Health Services	785,317	881,816	969,212	182,504	230,009
Programme 3: Emergency Medical Services	99,260	105,348	124,680	1,072,513	2,056,489
Programme 4: Provincial Hospital Services	592,282	679,744	729,490	520,215	368,810
Programme 5: Central Hospital Services	378,783	394,153	462,836	472,739	279,970
Programme 6: Health Sciences and Training	67,478	77,489	81,684	218,939	219,644
Programme 7: Health Care Support Services	10,593	21,282	46,903	53,402	125,175
Programme 8: Health Facilities Management	89,212	80,250	145,652	223,769	117,956
<b>Total: Programmes</b>	<b>2,143,066</b>	<b>2,375,748</b>	<b>2,682,129</b>	<b>2,856,323</b>	<b>3,625,891</b>

Source: BAS System

## EXPENDITURE ON CONDITIONAL GRANTS

An overview of expenditure on conditional grants should be presented as shown in Table 7.

**Table 7: Expenditure on conditional grants**

Grant	2003/04	2004/05	2005/06	2006/07	2007/08
	R'000	R'000	R'000	R'000	R'000
National Tertiary Services	336,501	384,148	432,018	458,043	480,945
HIV and AIDS	30,144	69,070	100,479	142,265	153,646
Hospital Revitalisation	50,356	47,436	92,157	63,810	86,324
Integrated Nutrition Programme	47,831	6,234	7,296	-	-
Hospital Management and Quality Improvement	12,730	13,076	13,393	14,197	-
Health Professions Training and Development	90,061	93,643	92,518	92,517	97,143
<b>Other grants</b>				-	-
Infrastructure	28,390	24,133	49,144	74,376	105,490
Flood Relief	5,145	-	-	-	-
Medico Legal	-	132	-	-	-
Drought Relief	-	1,900	-	-	-
Forensic Pathology Services	-	-	317	35,591	41,713
Provincial Infrastructure Grant	-	75,000	48,063	51,365	29,112

Source: BAS System



## **AIMS**

Programme 1 is responsible for the overall management and administration of the department.

## **PROGRAMME DESCRIPTION**

Programme 1 has the sub-programmes:

- Office of the MEC and
- Corporate Management.

## **ANALYTIC REVIEW OF PROGRAMME PERFORMANCE**

### **Financial Situation of the Department: 2008/09 financial year**

The Free State Department of Health has for some years been under increasing pressure to break even in terms of annual financial allocation and expenditure without reducing the quality level of Health services rendered.

#### ***Additional financial impact***

- Additional unfunded mandates and the increased access to health services.
- Decreased funding levels since 2003 compared to the health sector as a whole. (Free State Department of Health 3.1% compared to average 4.8% real annual growth in health sector per capita funding).
- Decreased funding levels as a percentage of the total provincial budget (4.7% compared to an average 5.9% for all provincial health departments).
- The increased burden of disease.
- Socio-economic factors such as high poverty and unemployment levels increase the imbalance between funding and demand. These factors create increased demand for services resulting in increased activity levels especially over the period 2002 to 2006 while funding levels decreased (2000/01 to 2005/06 Hospital outpatients and casualty visits increased by 11.9%).

#### ***Corrective action taken***

In order to remain within budget the department has applied stricter financial controls over the past 5 years. These measures reduced expenditure but also limited the ability to spend in other necessary areas.

#### ***Impact of the financial situation on the performance of the department***

Key indicators both of the health of the community and the status of health services reveal some areas of concern including:

- High and increasing maternal mortality rate
- High and increasing infant and child mortality rates
- Increasing deaths due to TB, HIV and AIDS
- Increasing incidence and prevalence of non-communicable diseases
- Increasing complaints about the quality of the services



### ***In depth analysis on the financial sustainability of the department***

This was done to provide insight into the financial pressures faced by the Department over the past 5 years. Strategic direction is required which takes into account the expectations of all stakeholders within an environment of long-term financial sustainability.

In addition to the factors already listed, over the 2002 to 2006 period

- Almost 90% of the budget was spent in the 3 service delivery programmes.
- Main cost drivers include medicines, medical consumables, professional services and contracts. Budget available for these items remains at 10% while the actual cost increased by 11% to 38% annually.
- To ensure financial sustainability the Service Transformation Plan needs to be implemented.
- The political impact of service transformation needs to be assessed in order to give direction to the department in this regard.

### **Service Transformation Plan**

The Integrated Health Planning framework was the tool used for analysis to inform the development of the Service Transformation Plan.

Scenarios were the product of extensive analysis and consultation. Final decisions by the executive management informed the final plan which will be presented for consideration to the EXCO of the Free State provincial legislature. The Service Transformation Plan informed the strategic direction contained in this plan.

The Service Transformation Plan is an integral part of the departmental strategy to create a sustainable and affordable service platform over the longer term.

### **Implementation of Supply Chain Management**

- In terms of provincial Treasury assessment, the Department has attained 84.95% of the implementation.
- The Demand Management and Supply Chain Performance Management need serious attention.
- SMMEs development needs to be stepped up and 70% of procurement spend to be achieved in line with Provincial Supply Chain Management guidelines.
- Budget programmes implementation of BBBEE and codes of good practice.

### **Asset Management Reform**

The Asset Management functions need to be implemented in line with the Asset Management Reform Guidelines (requirements) and reporting in terms of National Treasury norms.

### **Implementation of PFMA and related regulations**

Strategies for Increasing revenue from private patients are:

- Private debt collectors are employed on tender.
- Revenue targets per institution are monitored and provincial targets have been exceeded.



## FREE STATE PROVINCE Department of Health

side area networks:

Hospitals	31
Mortuaries	5
Offices	10
Laundries (does not include the laundries at hospitals)	2
Colleges	2
Clinics	31

The current total number of users is 5000.

## POLICIES, PRIORITIES AND STRATEGIC GOALS

### Networks

- Electronic Communications and Transactions (Act 25 of 2002).
- Purchasing process via SITAs (State Information Technology Agency) ITAC.

### Medicines and Related Substances Act 101 of 1965 as amended, and the Pharmacy Act 53 of 1974 as amended.

The Medicines and Related Substances Act 101 of 1965 as amended and the Pharmacy Act 53 of 1974 as amended, came into operation in July 2005. Full compliance entails the following:

- Upgrading of facilities;
- Training of Pharmacy personnel;
- Implement and monitor computerised Pharmacy stores and dispensing system,
- Monitor the implementation of Norms and Standards for Pharmacy.

An audit of Pharmaceutical facilities in 2005 informed the plan. The 2007/08 Annual Performance Plan reports on the requirements for implementation of this legislation. Due to lack of additional funding it has not been possible to fully comply with the requirements as stated in the audit. The following aspects have been addressed:

### Infrastructure

The provision of services that form part of the scope of practice of a pharmacist may only take place in or from a pharmacy that complies with minimum standards relating to premises, facilities and equipment. 21 Facilities are currently fully compliant and thus registered as training facilities in terms of Section 21 of the Pharmacy Act.

### Equipment

The audit found that not all pharmacies in hospitals and Community Health Care Centres in the province have telephones, intranet and fax machines. Intranet access has been improved

Other concerns included storage space with separate receiving and despatching, hygiene, location, access for disabled, waiting areas, air conditioning, security, ablution facilities, private areas for discussion counselling and guidance.

Subsequently the shortcomings identified above, have been addressed by the upgrading of pharmacy facilities at 11 facilities and renovations are in process at 3 more facilities. Plans for 3 new pharmacies are being developed.



### ***Systems and processes***

Many of the pre-packing facilities at the hospitals and regional pharmacies do not comply with all the good practice requirements. A centralised pre-packing unit is planned at the Medical Depot Phase 3. In the interim, the province attempts to tender for pre-packed items for the majority of items used mainly at Primary Health Care Level.

38 facilities were issued with computers. This supports the “Rx solution programme” which manages stores and dispensing. A training session enabled the dispensing section to be implemented in various facilities to be implemented.

Emergency power systems are not yet in place at all facilities.

### ***Human Resources for Pharmaceutical Services***

It was found that only 71% of hospitals and Community Health Care Centres have a pharmacist on call. Emergency cupboards are however, available at all hospitals. This situation is being addressed, as it is a General Pharmaceutical Principles (GPP) requirement for a pharmacy to have a pharmacist on call 24 hours a day.

Staffing levels show minor improvement. Pharmaceutical Services at the provincial level is staffed by a Manager and 3 out of 4 Chief Pharmacist posts, as well as 3 Principal Pharmacist posts. There are five posts for district pharmacists in the province at Chief Pharmacist level of which all are filled. These posts fall under the district managers.

In total there are 206 posts for pharmacists in the province as well as 26 posts for pharmacist interns. 115 of these posts for pharmacists are filled and there are eight pharmacist interns undergoing training in the province. Of the 115 pharmacists employed, 42 are pharmacists performing community service. In line with legal requirements all facilities are now under the direct supervision of a pharmacist or Community Service Pharmacist. It is clear that the pharmaceutical service in the province is heavily dependent on pharmacists performing community service

The training of pharmacist’s assistants in the Free State commenced in 2003. There are currently 82 fully qualified and registered pharmacist assistants (post-basic) on the staff establishment. 142 are currently enrolled of which 46 will finish training in due course. A total of 310 posts for pharmacist’s assistants have been created on the staff establishment.

### **Corporate Human Resource Management**

#### **Current deployment of human resources in relation to service delivery requirements**

For the 2007/2008 financial year, a total of 26 167 posts were on the staff establishment and a total of 16 146 were filled. This implies an overall vacancy rate of 38.3%.

#### **Accuracy of the staff establishment at all levels of the system compared to service requirements**

A total of 1 245 new appointments were handled. The annual turnover rate of the department currently stands at 6.5%



under review.

### **Staff recruitment and retention systems and challenges**

- Standardised advertisements for nursing staff in terms of the OSD was developed and implemented.
- For the 2007/2008 financial year employees were paid 510 scarce skills allowances, 177 rural allowances, 48 nodes and 643 in-hospital allowances.

### **Absenteeism and staff turnover rates**

The Free State Provincial Government has contracted SOMA, Health Risk Manager to address the issue of absenteeism and ill-health retirement. The Auditor General has conducted a comprehensive audit on the management of sick leave.

In terms of PROPAC Resolutions:

- A Leave Monitoring and Control Unit was established (Res.79/2005).
- Leave registers were implemented (Res. 30/2006). Institutions and districts were visited to provide training on leave matters. Currently the average days of sick leave per employee is 9 days at an estimated cost of R 29 046. The average days of disability leave per employee is 47 at an estimated cost of R 4 078.
- A total of 807 employees received leave payouts at a cost of R 9 969.87 as an average payment per employee.

### **Occupation Health and Employee Wellness (OH & EW)**

Department of Public Service Administration (DPSA) guidelines informed the establishment of an Occupational Health and Employee Wellness unit.

The aims are to promote and maintain the physical, mental, spiritual and social well-being of employees; to protect employees from work related illnesses and risks; and to place staff in occupational environments and jobs adapted to their physiological and psychological capabilities.

Resources are necessary to meet the four (4) critical strategic objectives of Employee Health and Wellness Management within the department. The four key functions are:

- HIV & AIDS Management;
- Health & Productivity Management;
- Occupational Hygiene and Safety Management; and
- Wellness Management.

All relevant components including Occupational Health, Injuries on Duty and Occupational Diseases were added to the existing Employee Assistance Program and the HIV/AIDS components.

There has been some progress with the priority for the 2007 to 2009 financial years, namely developing a provincial framework for the uniform implementation of the programme in the province. Service delivery at corporate and at district level relies on existing resources.



- Awareness of the Employee Wellness service has increased. Ninety (90) individual referrals were handled. Response time to referrals has been prompt and no referrals were left unattended, although there were human resource and medical resource constraints, especially for the Occupational Health component.
- Proactive programmes, such as stress management workshops and life enhancement training sessions by the clinical psychologist, were offered in some institutions, including regional and district hospitals, clinic complexes, Emergency Medical Service stations and Forensic Pathology stations, and corporate offices, including the Medical Depot.
- Therapeutic clinical interventions on individual referrals for those employees who already experienced problems, included trauma debriefing sessions to those traumatised by traumatic experiences related to the nature of their work e.g. EMS workers.
- Functional Employee Wellness committees were established in some institutions in the province
- 90 cases referred to the EAP were handled by the EAP practitioners
- 22 officials were referred to Aurora for rehabilitation for alcohol abuse
- 3 officials were treated by external service providers for psychiatric problems
- 2 EAP supervisory training sessions were conducted at Universitas hospital
- The HIV and AIDS Workplace programme held a candlelight Memorial Day at Bophelo House and two other institutions to commemorate World Aids day. 10 Peer Educators were trained to help with HIV/AIDS work.

## **Human Resource Management**

### **Planned deployment of human resources in relation to service delivery requirements**

Job offers were issued to bursary holders and community service health professionals to ensure their retention in permanent posts. A total of 124 of these job offers were accepted.

### **Plans to improve the accuracy of the staff establishment at all levels of the system compared to service requirements**

An exercise was conducted to identify unfunded vacancies (where posts were vacant for 3 to 5 years). From the exercise approval will be obtained to abolish some of these posts to ensure more reliable statistics. The same exercise will be repeated for the 2008 / 2009 financial year.

### **Staff recruitment and retention plans**

- The draft Human Resource Plan was completed in line with the DPSA guidelines.
- A total of 7 331 cash bonuses were paid.
- Contract appointments of foreign health workers were increased from 136 to 150 (14 more) to assist in the shortage of health professionals nationally.
- A total of 325 posts were upgraded and 8 posts were downgraded through the job evaluation process.

### **Programme management capacity**

A culture of accountability and responsibility must be instilled at all levels of management.



## FREE STATE PROVINCE

### Department of Health

#### **Revenue collection**

It remains a challenge to increase revenue collection from private patients.

#### **Networks**

- The requirement was that 30 new facilities (ARV sites) be linked to departmental networks. However, due to funding constraints, only 7 new facilities could be afforded. Infrastructure cannot be renewed due to a lack of funding. There are no back-up systems because funding is not available to create these.
- There is a maintenance and equipment backlog that has accumulated over the years. The department is attempting to address this within with limited resources.
- Purchasing process via SITAs (State Information Technology Agency) ITAC. The cost of purchasing via SITA is much higher than on the open market, which limits the purchasing power of the department.



## TABULAR REPORTING ON PERFORMANCE AGAINST PROVINCIAL ANNUAL PERFORMANCE PLAN FOR 2007/08

### PROGRAMME 1: ADMINISTRATION

Table 8: Performance against targets from 2007/08 Annual Performance Plan for the Administration Programme

Objectives	Indicator	2005/06: Actual	2006/07: Actual	2007/08: Actual	2007/08: APP Target
<b>SUB PROGRAMME: OFFICE OF THE MEC</b>					
<b>GOAL 6: EFFICIENT MANAGEMENT AND GOVERNANCE</b>					
Ensure effective and efficient governance structures in line with legislation.	Statutory Governance bodies established and functional in line with legislation.	Governance bodies established.	Governance bodies aligned with legislation.	Governance bodies are functional as follows: 1 x Provincial Health Council 18 Hospital Boards 1 x Provincial Consultative Forum 5 x District Health Councils 95 x Clinic Committees	Governance bodies functional as follows: 1 Provincial Health Council. 18 Hospital Boards. 1 Provincial Consultative Forum. 5 District Health Councils Clinic committees.
Ensure Implementation of the political strategic direction of the Free State Department of Health.	Report on the alignment of the corporate plans within the mandate of the department with: Health-related Millennium Development Goals, State of the Nation Address, Programme of Action, Free State Growth and Development Strategy, Priorities for the National Health System.	Plans aligned and reports submitted as prescribed.  Some issues addressed in operational plans.	Plans aligned and reports submitted as prescribed.  Some issues addressed in operational plans.	The 2007/08 Annual Performance Plan of the Free State Department of Health was aligned to the strategic direction of the: • Free State Growth and Development Strategy, • Programme of Action, • Health-related Millennium Development Goals • National Health Priorities 2006-2009.	The Annual Performance Plan of Free State Department of Health is based directly on the strategic direction derived from these plans. This was verified by a task team.



## FREE STATE PROVINCE Department of Health

Indicators	Indicator	2005/06: Actual	2006/07: Actual	2007/08: Actual	2007/08: APP Target
<b>GET SUB PROGRAMME : MANAGEMENT</b>					
<b>6: EFFICIENT MANAGEMENT AND GOVERNANCE</b>					
Secure a safe environment at health institutions in the State.	Progress report on the implementation of an integrated Security Plan for the Free State Department of Health. (Include SAPS, City Police and Private Sector).		Security Plan in place.	The Memorandum of Understanding for the handing over of security services from Institutions to Security Administration Directorate at Head Office was approved with effect from July 2007. The Security Micro-Structure for the Department of Health was developed and awaits approval.	Security Plan Finalised.
Secure a safe environment at health institutions in the State.	Progress report on the implementation of the Occupational Health and Safety (OHS) Checklist.	18 institutions have trained health and safety representatives on how to use checklist.	Health and safety representatives at 13 institutions trained on the legislation.	33 Health & Safety certificates for Fezile Dabi PHC & Parys Hospital were received in November 2007 and another 23 certificates for Xhariep district were received in December 2007 from Butterworth Occupational Health & Safety Services. The process of H&S reps nominations for Bophelo House is still in progress.	Further training on OHS Act 1993 to CEOs and District Managers and supervisors supported to improve OHS service delivery including the use of the checklist.
Effective management and performance aspects of the department.	A departmental Supply Chain Management (SCM) forum established.	The plan to establish the forum was developed in 2005/2006 financial year.	SCM forum established.	Bid Management Committees have been established in the Districts. The SCM forum will be established as soon as the post for Senior Manager: Procurement has been filled.	SCM forum fully functional.
	The number of functional Supply Chain Management units at institutions.	Approximately 40% functional Supply Chain Management units at Institutions.	45 % functional Supply Chain Management units at Institutions.	The process for finalisation of structures for the districts has not been completed yet.	60% functional Supply Chain Management units at Institutions
	% of contracts effectively managed.	Contracts have not been managed effectively due to personal shortage. Two Administrative Officers will be appointed in October 2006 to manage the contracts.	70 % of contracts effectively managed in the Department.	All contracts are effectively managed in the department and are being kept safe.	75% of contracts effectively managed in the Department.



Objectives	Indicator	2005/06: Actual	2006/07: Actual	2007/08: Actual	2007/08: APP Target
<b>BUDGET SUB PROGRAMME : MANAGEMENT</b>					
<b>GOAL 5: STRATEGIC AND INNOVATIVE PARTNERSHIPS</b>					
Effective and efficient management of risks.	Report on the degree to which major risks are addressed in the Free State Department of Health.	Indicator not applicable during this period although risk management systems were in place.	Not applicable.	30% of the Annual Plan from the three-year rolling plan was executed.	Execute (Audit) 30% of the three year rolling plan. Consolidate the Departmental Risk Assessment Plan.
				The Risk Assessment Plan (RAP) was updated and approved for implementation.	Update Risk Register.
				The Fraud Prevention Plan was approved for implementation.	Update Fraud Prevention Plan and implement fraud Hotline.
<b>GOAL 6: EFFICIENT MANAGEMENT AND GOVERNANCE</b>					
Ensure effective management of Broad Based Black Economic Empowerment (BBBEE) in line with Act Number 53 of 2003 as amended and regulatory framework.	% departmental procurement done in line with the BEE regulations.	Codes not finalised.	41 officials trained in BBBEEA. Awaiting codes to be finalised.	Not implemented as no guidelines were received from National Treasury.	25% departmental bids done in line with the BEE regulations based on the codes being finalised.



## FREE STATE PROVINCE Department of Health

Objectives	Indicator	2005/06: Actual	2006/07: Actual	2007/08: Actual	2007/08: APP Target
<b>BUDGET SUB PROGRAMME: MANAGEMENT</b>					
<b>GOAL 6: EFFICIENT MANAGEMENT AND GOVERNANCE</b>					
development of supply Chain management (SCM) officials.	Number of SCM personnel trained in the SCM introductory course.	100 SCM personnel trained in the SCM introductory course.	150 SCM personnel trained in the SCM introductory course depends on availability of resources.	Target not achieved. Approximately 30 officials were trained in source-link to handle procurement electronically. Implementation was postponed to end March 2008 because not enough officials have been trained.	200 SCM personnel trained in the SCM introductory course depends on availability of resources.
implement an integrated strategic planning and reporting framework in line with PFMA and prescripts.	Compliance with national and provincial strategic planning and reporting prescripts.	Complied with prescripts.	Compliance with prescripts.	Prescripts, national and provincial priorities informed the content and format of the 2007/2008 Annual Performance Plan.	Compliance with prescripts.
Optimal management of information	% implementation of an efficient and reliable Free State Department of Health network.	Extend to 50% of health facilities.	Extend to 70% of health facilities.	The Free State Department of Health Network has been extended to 72% of health facilities.	Extend to 80% of health facilities.
	Number of facilities that are linked to the Provincial Department of Health network.	120 facilities are linked to the Provincial Department of Health network.	30 Facilities per year in addition to those already on network (ARV sites included)	7/30 facilities (ARV sites) linked to the provincial Department of Health network.	30 New Facilities Maintain/replace equipment to ensure quality service (ARV sites included).



Objectives	Indicator	2005/06: Actual	2006/07: Actual	2007/08: Actual	2007/08: APP Target
<b>BUDGET SUB PROGRAMME : MANAGEMENT</b>					
<b>GOAL 6: EFFICIENT MANAGEMENT AND GOVERNANCE</b>					
Optimal management of information.	% implementation of a uniform hospital information system for the service platform.	Meditech rollout to Boitumelo completed. Meditech roll out to Bongani completed. PADS implemented in all Hospitals not using Meditech.	Meditech rollout to one Regional Hospital and the hospitals in that region. Maintained PADS.	No new Meditech sites. No further rollout in this financial year due to financial constraints. A new Health Information System to replace MEDITECH is in planning phase.	Meditech Roll out to one Regional Hospital and the hospitals in that region. Maintain PADS.
	% progress on integration of information management.	10% progress on integration of information management.	30% progress on integration of information management.	60% progress on the integration of information management.	75% progress on integration of information management.
	% data integrated in Data Warehouse and usable as information for managers.	10% data integrated in Data Warehouse and usable as information for managers.	30% data integrated in Data Warehouse and usable as information for managers.	60% progress on the integration of information management. Data on ARVs and Tuberculosis still need to be integrated.	75% data integrated in Data Warehouse and usable as information for managers.
	Number of facilities fully functional on DHIS and Hospital Information System.	DHIS installed on all regional coordinator's Pc's (i.e. 18).	DHIS on all PHC PC's. (224 clinics and 10 Community Health Centres).	DHIS available on all Primary Health Care PC's i.e. 224 Clinics and 10 Community Health Centres.	All districts fully operational on DHIS, including trained personnel to collect data and use reports at all levels.
Improve asset management	Number of institutions with an asset register implemented.	Currently institutions are implementing unique numbering on assets to be compliant.	100% compliant in terms of all institutions implementing asset register.	80% of institutions are implementing Asset Management. All new additions for 2007/2008, reflect on the Asset Register.	100% compliant in terms of all institutions implementing asset register.
Improve management of losses in line with the PFMA.	Number of institutions and offices adhering to policy prescriptions.	No institutions are fully compliant.	Compile checklist to enable monitoring of adherence to policy per institution.	None of the institutions and offices is fully compliant with Policy prescriptions.	10/52 institutions and offices adhering to policy prescriptions.



## FREE STATE PROVINCE Department of Health

Objectives	Indicator	2005/06: Actual	2006/07: Actual	2007/08: Actual	2007/08: APP Target
<b>BUDGET SUB PROGRAMME : MANAGEMENT</b>					
<b>GOAL 6: EFFICIENT MANAGEMENT AND GOVERNANCE</b>					
Improve fleet management.	Percentage of transport officers trained in fleet management.	59 officers trained in fleet management.	70% of transport officers trained in fleet management.	90% of transport officers/users & subsidised owners were trained on fleet management and the database. The Transport Database was implemented at Pelonomi as from 07 March 2008.	80% of transport officers trained in fleet management.
Ensure compliance with the Public Finance Management Act.	% efficiency of the Accounting Division in Corporate Office.	Not applicable.	Not applicable.	All invoices were handled correctly.	95% of invoices handled with 0.02 error.
	Debt management policy and procedures revised and implemented to support increased recovery of outstanding debt.	Implementation of personnel debt policy monitored.	Situation analysis with regard to Personnel debt, Patient debt and Bursary debt.	Not complied: Due to shortage of personnel. Revision of patient debt policy not complied due to shortage of personnel.	Revision of: Personnel debt Management Policy, Patient Debt Policy and Bursary Debt Policy.
		Implementation of patient debt policy revised and monitored.			
	Statements/ reports/ certificates submitted in line with prescripts.	Compliance certificate was submitted monthly.	Compliance Certificate submitted monthly within 10 days after month closure.	Compliance Certificate submitted monthly within 10 days after month closure.	Compliance Certificate submitted monthly within 10 days after month closure.
		Annual Financial Statements were submitted by 31 May 2005.	Annual Financial Statements submitted by 31 May 2007.	Annual Financial Statements submitted by 31 May each year.	Annual Financial Statements submitted by 31 May 2008.



Objectives	Indicator	2005/06: Actual	2006/07: Actual	2007/08: Actual	2007/08: APP Target
<b>BUDGET SUB PROGRAMME : MANAGEMENT</b>					
<b>GOAL 6: EFFICIENT MANAGEMENT AND GOVERNANCE</b>					
Ensure compliance with the Public Finance Management Act (continue)	Statements/ reports/ certificates submitted in line with prescripts.	IYM was submitted monthly.	In Year Monitoring report submitted on the 15th of each month.	In Year Monitoring report submitted on the 15th of each month.	In Year Monitoring report submitted on the 15th of each month.
		Monthly cash requisition submitted to Provincial Treasury on the 20th of each month.	Monthly cash requisition submitted to Provincial Treasury on the 25th of each month.	Monthly cash requisition submitted to Provincial Treasury on the 25th of each month.	Monthly cash requisition submitted to Provincial Treasury on the 25th of each month.
		Budget Statement No 2 was submitted to Provincial Treasury.	Budget Statement No 2 submitted by 24 November.	Budget Statement No 2 submitted by the end of November.	Budget Statement No 2 submitted by the end of November.
		Revenue Report was submitted.	Revenue Report submitted by the 15th of each month.	Revenue Report submitted by the 15th of each month.	Revenue Report submitted by the 15th of each month.
		Cash Flow – complied.	Cash Flow - availability of cash on a daily basis.	Complied. Funds are currently requested on a weekly basis.	Compile and submit fund requisition to Provincial Treasury daily before 10h00.
		Reconciliation – complied.	Reconciliation - monthly by month end.	Reconciliation done monthly by month end.	Reconciliation - monthly by month end.
		Internal Control checklist – Complied.	Internal Control Checklist submitted by the 2nd week of each month.	The internal control checklist was submitted by the second week of each month. Spot checks on the Internal Control Checklist have been performed on a monthly basis.	Internal Control Checklist submitted by the 2nd week of each month.
		Complied with PROPAC resolutions.	Compliance to PROPAC resolutions; monthly report submitted as determined by the Office of the Premier.	Monthly report submitted as determined by the Office of the Premier.	Compliance to PROPAC resolutions: monthly report submitted as determined by the Office of the Premier.



## FREE STATE PROVINCE

### Department of Health

Activities	Indicator	2005/06: Actual	2006/07: Actual	2007/08: Actual	2007/08: APP Target
<b>GET SUB PROGRAMME: MANAGEMENT</b>					
<b>AL 6: EFFICIENT MANAGEMENT AND GOVERNANCE</b>					
Implement a Human Resource plan for the department.	Implementation of a comprehensive recruitment and retention strategy.	Human Resources plan was being developed.	Draft HR Plan has been completed linked to NDOH plan.	The draft Human Resource Plan was presented at the Extended EXCO on 10 March 2008 and inputs are being awaited for implementation by 01 April 2008.	Implement approved HR Plan.
			Draft Retention Strategy has been completed.	Decentralization of the HR Plan will commence once approval has been granted.	Decentralize plan to institutional level.
			Recruitment Policy and Strategy have been approved and implemented.	The departmental Retention Strategy was revised and awaits approval for implementation.	Implement Retention Strategy.
	Compliance with national equity targets.	Not applicable.	Draft HR Plan to address equity issues.	The task team is still investigating the recruitment methods. The new delegations have been implemented with effect from 1 November. For this quarter 345 new appointments were implemented. A total of 97 posts were advertised. 290 post promotions were implemented, as well as 101 transfers and 10 translations in rank.	Revise recruitment strategy.
				The draft Employment Equity Plan for the years 2008 - 2011 was compiled and will be discussed with the relevant forums within the department, where it will be adopted. The draft Employment Equity Policy and Affirmative Action Plan has been compiled and awaits approval.	Posts filled in line with equity stats in HR Plan.



Objectives	Indicator	2005/06: Actual	2006/07: Actual	2007/08: Actual	2007/08: APP Target
<b>BUDGET SUB PROGRAMME : MANAGEMENT</b>					
<b>GOAL 6: EFFICIENT MANAGEMENT AND GOVERNANCE</b>					
Improve measures to reduce absenteeism.	Number of leave audits conducted per month.	20 leave audits conducted per month.	40 leave audits conducted per month.	165 leave audits have been conducted at institutions for 2007/08. Lejweleputswa 70, Xhariep 20, Central Laundry 5, Thabo Mofutsanyana 48, Motheo 22.	60 leave audits conducted per month.
	Number of personnel trained on leave record at institutions and district offices (Quarterly).	30 personnel trained on leave record at institutions and district offices.	50 personnel trained on leave record at institutions and district offices.	801 Officials have been trained on leave matters in 14 institutions during 2007/08.	50 personnel trained on leave record at institutions and district offices.
	% implementation of approved service standards.	Not applicable.	Not applicable.	80% of institutions implementing approved standards.	80 % of institutions implementing.
Enhance the level of Batho Pele and Patient Charter skills and competencies within the department.	% compliance with standards.	Not applicable.	Not applicable.	80% implementing institutions comply with set standards.	80 % of institutions implementing.
	% patient satisfaction rate according to national survey instrument.	Not applicable.	Not applicable.	The survey has been completed and an analysis will be done.	80 % of institutions implementing.
	% Progress on the establishment of departmental inter-cluster committees (ICC).	Not applicable.	Provincial ICC established.	Provincial inter-cluster meetings between Strategic Health Programmes are held every 2 months. Districts do not have more than one cluster in order to conduct inter-cluster meetings.	Establish ICC at District Level.
Optimal Communication within and between clusters.					



## FREE STATE PROVINCE Department of Health

Objectives	Indicator	2005/06: Actual	2006/07: Actual	2007/08: Actual	2007/08: APP Target
<b>BUDGET SUB PROGRAMME: MANAGEMENT AND GOVERNANCE</b>					
Ensure the upgrading of pharmacy facilities enhance service delivery.	% of pharmacy facilities in full compliance of the registration requirements with SAPC <sup>2</sup> .	100% hospital and CHC pharmacies facilities licensed with NDoH.	100% hospital and CHC pharmacy facilities recorded. 20% facilities fully compliant.	48% (21/44) of hospitals and CHC's have been registered with the South African Pharmacy Council (SAPC).	40% of hospital and CHC pharmacy facilities fully compliant.
Implement the Free State Department of Health Services marketing Strategy.	% of institutions implementing institutional marketing plans.	Not applicable.	Not applicable.	24% of institutions implementing services marketing plans.	50% of institutions implementing institutional marketing plans.
Implement the Service Transformation Plan for the Free State Department of Health.	% implementation of Service Transformation Plan (STP).	Draft Service Transformation Plan for 2007 compiled and submitted.	Use Integrated Health Planning Framework to inform development of final Service Transformation Plan.	District Health System management finalised the facilities plan. A technical task team was delegated to complete the document. This remains a draft until approved by the provincial Government Executive.	Service Transformation Plan for 10 years commencing 2008 compiled and submitted.

### Process to comply:

- Licensing with National Department of Health .
- Recording with South African Pharmacy Council
- Evaluation by South African Pharmacy Council
- Upgrading
- Registration.



## PROGRAMME 2: DISTRICT HEALTH SERVICES

### AIM

Programme 2 focuses on service delivery at level 1 which includes non-institutional services, clinics, community health centres and district hospitals.

### PROGRAMME DESCRIPTION

**The programme consists of the following sub programmes:**

- District Management
- Community Health Clinics
- Community Health Centres
- District Hospitals
- Community Based Services
- Other Community Services
- Coroner Services
- HIV and AIDS
- Nutrition (includes maternal child and women's health)
- Disease prevention and control.

### ANALYTIC REVIEW OF PROGRAMME PERFORMANCE

#### **District Health Services**

- Primary Health Care personal services are available in all towns in the Free State from a service platform of 235 fixed clinics, 10 Community Health Centres and 24 District Hospitals.
- District Health Plans for 2007/2008 have been compiled in line with the approved National Department of Health format and was implemented in each district. These make provision for development of district-based planning, functional integration mechanisms for community participation and resource allocation.
- The consolidation of personal primary health care services to the province has been completed with the last Municipality (Mangaung) finalised in 2007.
- Some district hospitals are unsustainable (expensive), hence the Service Transformation Plan (STP) is intended to address a new service delivery platform.
- The reviewed macrostructure provides for a consolidated management of all Level 1 services, including District Hospitals.
- The District Hospital Package has been piloted and evaluated for full implementation. The findings will be used to inform the implementation of the STP.
- Funding remains a challenge in ensuring that level I service delivery packages are fully comprehensively implemented.

#### **Rural Health Plan**

- Rural Health Services are rendered from 109 mobiles in all towns in the Free State on a 4 – 6 weekly basis.
- Xhariep District has been identified as a Rural Area by the Provincial Government.



## FREE STATE PROVINCE

### Department of Health

The Free State Forensic Pathology Services (FPS) is conducting just over 4000 medico-legal autopsies per year. There is also an estimated 8000 bodies that are not dissected (as required by the forensic pathology practice code), but are only externally examined as the decision has been made that no foul play is suspected and no investigations are to be made into the death. This compromises provincial statistics on causes of death, as there are no confirmed or specific diagnoses associated with these deaths. Some murders may be missed this way.

The Southern Free State is serviced by a single functional mortuary in Bloemfontein and one functional holding facility in Botshabelo. The Eastern Free State has a functional mortuary in Bethlehem and Phuthaditjhaba. The Northern Free State has functional mortuaries in Sasolburg, Kroonstad and Welkom.

All autopsies except for those in Bloemfontein are performed by private general practitioners employed on sessional basis for this function. There are regular complaints from the Department of Justice regarding the quality of the content and the reliability of the reports produced by personnel not specifically trained in Forensic Pathology. The number of students that can be admitted by the Department of Forensic Pathology and Medicine of the Free State University is limited in proportion to the number of trained specialists to teach them.

It is therefore not currently possible to increase the number of training posts. The strategy is to employ more permanent medical officers for this function who may be enticed to specialise in the field when the capacity of the academic institution allows.

At its inception the Free State Forensic Pathology Services inherited 28 former police officials who were transferred to the Department of Health. At the moment, there are 60 forensic pathology officers assisting in the service.

Currently the Forensic Pathology Services are accessible by the public from 07:30 to 16:00 during weekdays. Only essential functions are carried out during the weekends and holidays.

### **Quality Assurance**

24 District Hospitals, 5 Regional Hospitals and 1 Tertiary Hospitals are under the COHSASA programme. 8 Hospitals have received full COHSASA accreditation, 12 hospitals have re-entered for the COHSASA accreditation process and 6 hospitals have received Focus Survey status and 1 Entry Level.

One hospital underwent a revitalization process to be re-entered for accreditation. With the current status of the staff establishment, the Standard Compliance sub directorate is not in a position to take over the Accreditation process.

### **Disabilities and Rehabilitation**

The Disabilities component was established during the year 2000 to address the needs of people with disabilities, especially with regard to health care in general. The component's main function is to provide/lobby for comprehensive health service for



### ***Physiotherapy Services***

The program includes promotive care, preventative care, critical care, curative care and community-based rehabilitation service (CBR). Service standards for Physiotherapy services were implemented at one health care facility in each district. 80% of personnel attended 80% of identified courses as per Training Plan. All health care facilities provide quality physiotherapy data.

### ***Occupational Therapy (OT) Services***

Occupational Therapy services are rendered at all hospitals in the province. The department has 107 Occupational Therapy posts of which 67 are filled. Twenty-three (23) community Therapists were accommodated in the province of which 13 took up permanent employment at the end of the community service year. Out of the 235 clinics, 129 are receiving OT services. Out of the 10 community health centres, 7 receive OT services.

### ***Speech Therapy and Audiology Services***

Services are rendered at tertiary level, five secondary hospitals and at Thusanong/Nala /Mohao-, Phekolong- and Metsimaholo hospital complexes.

### ***Medical Social Welfare Services***

The newly created post of Chief Social Worker at provincial office will be filled during the 2008/09 financial year.

### ***Work Assessment Centre***

An assistant manager was appointed in August 2007. Community- and Senior Occupational therapists were permanently appointed. Valpar equipment to support effective evaluation, was purchased to the value of R1,2 million. A total of 137 clients were evaluated, 32 government disability grants were finalised and 132 students have been trained during 2007/08.

### ***Chronic Diseases***

The Novo Nordisk Changing Diabetes Bus was launched on 30 June 2008 and officially opened in Bloemfontein during the SEMDSA (Society for Endocrinology, Metabolism and Diabetes of South Africa) Conference. This bus visited 3 of the 5 districts and 1790 clients were screened for Diabetes and Hypertension - a total of 91 clients were newly diagnosed with Diabetes. Out of 10 people whose eyes were tested, four were referred to the Buro for Prevention of Blindness in order to have cataract surgery performed.

Diabetes awareness was raised during November through various radio talks and newspapers. The first United Nations recognised Diabetes day was celebrated in Bloemfontein in partnership with SEMDSA. This event was preceded by a health walk and a total of 827 clients were screened for diabetes.

A Training Plan on Diabetes was developed for the province in partnership with Batswadi Pharmaceuticals. Training is to commence in the 2008/09 financial year. Fifteen Professional Nurses attended a Hypertension Conference and received training on management of hypertension, drugs and lifestyle modification.



## FREE STATE PROVINCE Department of Health

Joint Decade 2000 - 2010) was held in Bloemfontein. Multi-disciplinary delegates attended the symposium. The Palliative Care Unit at National Hospital has been completed and a training plan was developed.

1 Africa 2007 (Bone and

During 2007/08, the following were trained on Chronic Conditions:

- 24 trained on the management of Alzheimer's diseases.
- 100 health professionals trained on Hypertension.
- 39 trained on Palliative Care.

## POLICIES, PRIORITIES AND STRATEGIC GOALS

### District Health Services

- District Health Services in the Free State are aligned with the National DHS Policy.
- A road map for the implementation of DHS was developed and implemented.
- Priority Health programmes were implemented by the of provision of comprehensive Primary Health Care/Hospital Packages with special focus on Maternal, Child and Women's Health (MCWH), HIV and AIDS, Sexually Transmitted Infections (STIs), Diseases of Lifestyle, water borne diseases and infection control.
- District Health Services are provided with the involvement of District Governance structures, i.e. District Health Councils, Hospital Boards and Clinic Health Committees.
- A new District Organisational Structure is being developed for implementation in 2008/2009 to improve service delivery.

### *Rural development nodes and urban renewal nodes*

Maluti-a-Phofung in Thabo Mofutsanyana has been declared as a presidential rural node. 33 clinics in Maluti-a-Phofung are rendering primary health care services. Tebang Clinic is rendering a 24-hours service. Phuthaditjhaba and Monontsha Clinics are rendering extended hour services. There are two district hospitals and one regional hospital that are used for patient referral. The Emergency Medical Services are stationed at the Regional Hospital.

### *Xhariep District*

Xhariep district has been identified as a Rural Area by the Provincial Government. Scarce skills and rural allowances were thus implemented for selected occupational classes.

### *Health facilities in the node*

- 17 fixed clinics
- 21 mobiles
- 3 District Hospitals
- 1 Community Health Centre



10 out of the 17 fixed clinics are rendering on-call services.

#### **Emergency Medical Services**

- 24 ambulances
- 5 response cars
- 11 patient transport

#### **Forensic Pathology Services (Coroner Services)**

Forensic Pathology Services is managed as a provincial service to make the best use of scarce resources. Functional links with district offices were established in order to support this function.

As a new service the National Code of Practice for Forensic Pathology is still being developed. In the interim standard operating procedures adapted from the SAPS force orders that previously governed the medico-legal services are being utilized.

#### **Quality Assurance**

Hospitals that have received full accreditation should sustain and maintain quality standards. Hospitals that have re-entered the COHSASA programme need to get full accreditation. Hospitals that have undergone and completed the revitalization programme to be re-entered for the COHSASA programme and receive full accreditation.

#### **Services Marketing**

The provincial department's role in rendering primary health care is to ensure that the national school health services policy is implemented in all districts (Services Marketing and Health Promotion). To date, all 5 districts are implementing the policy and 16/20 local areas are rendering a service. Inter-sectoral collaboration and integration of services are ensured through the community structures that were established at provincial and some district levels. The cooperation, support and sustainability of these structures can be improved. The services marketing initiative with radio talks and campaigns as well as the training of marketing coordinators in institutions and clinic facilities, are continuing.

#### **Disabilities & Rehabilitation Services**

- Policy on the Provisioning of Assistive Devices in Free State.
- Policy on Free Health Care for People with Disabilities.

The priorities and strategic goals are as follows:

- Provisioning of assistive devices (wheelchairs, walking aids, white canes, hearing aids and walking aids) and its accessories.
- Provisioning of free health care to people with disabilities.
- Training of therapists and implementation of ICF (International Classification of Functioning, Disability and Health).
- Accessibility of health facilities to people with disabilities.
- Training of frontline health personnel in Sign Language.



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The Provincial Policy for Physiotherapy Draft 4 is in the process of being finalised for approval.

The strategic goal is to implement early physiotherapy intervention programs at health promotion schools and day care centres i.e. 5 schools - one in each district.

### ***Occupational Therapy Services***

The Occupational Therapy policy was finalised and awaits approval for implementation. Both the Early Intervention guideline and School Health guideline have been developed and standardized for implementation in the 2008/09 financial year.

The priorities and strategic goal are as follows:

- Implementation of the screening checklist for developmental delays for nursing personnel, in 5 health care facilities per district. This will improve the referral of children with developmental delays.
- Increasing the percentage of hospitals/community health care centres, clinics and schools implementing the Early Childhood Development and School Health guideline.
- Increasing the percentage of facilities implementing Occupational Therapy Data System.

### **Chronic Diseases**

National Guidelines on priority chronic diseases are available and implemented by the five districts. The provincial draft guideline on management and administration of Long Term Domiciliary Oxygen Therapy, is being circulated for comments and inputs.

## **CHALLENGES AND CONSTRAINTS**

### **District Health Services**

#### ***Finance***

The implementation of the DHS will require additional budget to implement the following

- 24-hour services at identified clinics, especially where there are no hospitals.
- District Micro Structure.
- District Health Expenditure Reviews (DHERs).
- Rural Health Strategy.
- Maintenance and Infrastructure Plans.

#### ***Human Resource***

Recruitment and retention of personnel remains a challenge despite the incentives introduced nationally, provincially and locally. To address the human resource challenges, the Department actively involved external stakeholders.

#### ***Support Systems***

Due to systems problems, drug availability remains a challenge.

- Decentralisation of functions and powers is provided for in the reviewed organisational structure.



- Accommodation for staff and facilities by Department of Public Works Roads and Transport, does not address the needs of the department.

### **Forensic Pathology Services (Coroner Services)**

Currently the service is funded through a conditional grant. This has made funds available for objectives identified at the planning stages prior to 2004. At the same time it has made our responses to changes in the environment slow and almost impossible at times as we are tied to plans long created and costed for a different environment. This is being addressed with treasury and the national directorate to allow some amendments to the original three-year business plans.

During planning stages technical staff was dully considered and adequately planned for. The support personnel was however not given adequate consideration as it was assumed that the health institutions already present will support the newly acquired medico-legal institutions. This assumption has been proven wrong by constant claims that maintenance and administrative staff at institutions (hospitals and district offices) cannot support the mortuaries near them, as they are very busy and understaffed already. The staff establishment of the Free State is being re-evaluated to address these shortfalls.

The newly created category of professional Forensic Pathology Officers, are currently not specifically trained at a level above Senior Certificate. Most function from work gained experience. The envisaged learnership being developed by the South African Qualifications Authority has not been finalized yet.

### **Quality Assurance**

Support visits to those institutions that have re-entered for the COHSASA programme, will be conducted during 2008/09. Personnel are being empowered through training.

- Financial constraints that would prevent the unit personnel to do regular support visits.
- Appointment of personnel is limited due to financial constraints.
- The appointment of District Quality Assurance Coordinators will assist to ensure that quality standards are maintained in the districts.

### **Services Marketing**

The target for school health services and health promotion is to reach all 20 local areas with service delivery, where a comprehensive and integrated approach from all stakeholders will ensure a quality service to the focus groups.

District Health and School Health forums are to be strengthened and kept sustainable mainly through support from districts. Capacity building of the structures will ensure improved and/ better understanding of their expectations and roles, thereby improving community participation.

Marketing of services can be improved with health facilities continuously measuring themselves against set service standards, and implementation of a service delivery improvement plan that have identified the gaps to be remedied. Batho Pele principles remain an integral part of everyday care given to all clients, irrespective of circumstances.



ent satisfaction surveys done annually to identify gaps in the service delivery. Financial and human resources are needed to attain all these goals.

## **Disability and Rehabilitation**

### ***Finance***

The budget to purchase furnished facilities with minimum standard equipment and to have accommodation that complies with the minimum standards where services are being rendered, is a challenge.

### ***Human Resource***

Disability and rehabilitation are challenged with scarce skills and all efforts need to be made to recruit and retain personnel. The posts of Assistant Manager: Speech and Audiology and Chief Social Worker, need to be filled at provincial level.

The major constraints encountered by components are:

- Lack of dedicated personnel to carry objectives of the component with regard to disability issues.
- Insufficient funding for the programmes that are being run by the component, especially to purchase assistive devices. Funding allocated for assistive devices does not meet the demand for assistive devices. Hence a serious backlog exists which accumulates each year.
- Long waiting periods for clients to access their assistive devices. The waiting period in this case, means the time from when the client is assessed, time for procurement process, delivery period by the suppliers and finally, the time when client receives an assistive device. This process is time-consuming especially at the end of financial years and during festive seasons, when companies are closed.

### ***Work Assessment Centre***

A need exists to increase medical assessment screening for clients requiring disability grants.

### ***Measures to overcome constraints***

- More funding to be made available to purchase basic assistive devices.
- Improved number of, and working relationships amongst rehabilitation personnel in order to cater for disability programmes.
- Disabilities and Rehabilitation programmes to be seen as a priority since it plays a major role in promotion, prevention, curative as well as rehabilitative health care.



### **HIV and AIDS, STI and TB CONTROL (HAST)**

- According to the 2006 HIV and Syphilis Antenatal Sero-Prevalence Survey in South Africa, the Free State province has the third highest prevalence of HIV. The results of 2007 are not yet released for publication.
- District Disease Outbreak Response Teams (DORT) are in place. Outbreaks that were managed during 2007/08, were diarrhoea (238 cases), Congo Fever (2 cases) and Food Poisoning (31 cases).
- The TB incidence is 809/100 000 (2007 case finding).
- The cure rate of new smear positive cases was 67,5% in 2005 and 68% in 2006.
- The treatment interruption rate of new smear positive cases was 5,9% in 2005 and 5% in 2006.
- TB & HIV co-infection remains at 72% based on the MRC study of 2002.
- The incidence of MDR-TB is 1, 8 % of total TB case load in the province for 2006. In the Free State, nine (9) cases of extensive drug-resistance TB (XDR-TB) were identified in 2006. At this stage, it is still difficult to determine the extent of XDR-TB in South Africa.

### **Community Home Based Care and Step-Down Facilities**

In collaboration with 151 civil society organisations an integrated community home based care programme in 80 towns takes care of patients with AIDS and other debilitating diseases. This service is available in 20 sub-districts and was extended to 34 farms. To date, 1979 volunteers (including DOT Supporters) receive stipends to render the service to 72 672 beneficiaries. In eight (8) functional step-down facilities with a total of 84 beds, 222 trained volunteers render the service to 59 079 households under the supervision of professional nurses.

### **Voluntary Confidential Counselling and Testing (VCCT)**

VCCT services were provided to 179 685 beneficiaries at 227 operational sites in the province. A total of 565 lay counsellors are active in the VCCT programme.

#### ***Flemish Government for VCCT***

The inception date for implementation was set for September 2003. The project, however, did not commence due to the fact that the Project Manager was not appointed. For this reason, the inception date was postponed to 1<sup>st</sup> June 2005 with the closing date of 31<sup>st</sup> March 2007. The Project Manager was only appointed on 11<sup>th</sup> July 2005, which caused a delay in the implementation of the objectives. Extension of 9 months was requested for the project to run until 31<sup>st</sup> March 2008. Further extension, however, was granted for the project to end on 30 June 2008.

Progress on implementation of objectives to date, is as follows:

- Upgrading of 10 clinics to accommodate VCCT in under-served areas: 5 clinics completed and 2 more clinics will be upgraded. Due to escalation of costs, the department will only be able to upgrade 7 clinics out of the original 10 clinics. The last 2 clinics (Nelson Mandela in Edenburg and Thusanang in Sasolburg) are still being upgraded.
- Training of 100 Lay Counsellors on VCCT in under-served areas: 100 Counsellors have been trained on pre- and post test counselling in all 5 districts.



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nsellers in under-served

areas: A total of 80 teachers trained as volunteer counsellors for 4 districts. An additional 20 will be trained for Thabo Mofutsanyana.

- Identify 6-8 Youth Centres, conduct baseline study on youth centres and train 26 youths as lay counsellors: 8 centres were identified; baseline study done; ground breakers trained on VCCT.
- Quality control, monitoring and evaluation of lay counsellors and VCCT sites: No progress.

### **Prevention of Mother to Child Transmission of HIV (PMTCT)**

Nevirapine is available in all health institutions providing maternity services. Provincial PMTCT guidelines have been developed and are being implemented. Polymerase Chain Reaction (PCR) testing of infants who received Nevirapine is being piloted at National District Hospital and MUCPP Community Health Centre. Test kits for Dry Blood Spots are now available. PMTCT-enrolment of pregnant women improved from 62% to 65,25%, exceeding the national target of 60%.

- 92% of fixed PHC facilities offer PMTCT services.
- The HIV testing rate among antenatal clients has increased from 66% in 2006/07 to 80% in 2007/08. Amongst the 66 007 antenatal attendees, 52 943 were tested for HIV.
- CD4 count is available at all fixed PHC facilities that provide PMTCT. There are still challenges, however, in taking CD4 count test at the point of HIV diagnosis due to the times of transportation of specimen.
- Preparatory training for dual therapy has been conducted and a total of 214 Health Care Professionals have been trained. Training on dual therapy is ongoing and has been incorporated into provincial PMTCT training. Three districts have cascaded training with assistance from Family Health International, which is delegated by National Department of Health.
- PCR test was provided at all facilities that provide PMTCT.
- Babies that have been exposed to HIV are provided with replacement feeding for the first 12 months of life. During 2007/08 there has been a significant increase in the demand for replacement feeding.

### **Condom Distribution**

As from January to December 2007, a total of 11 735 500 condoms were distributed in the Free State. For 2007/08, 6 condoms were distributed per male per month. The primary distribution sites increased from 10 to 14 sites with 42 registered functional female condom distribution sites.

### **Education- and Awareness Campaigns**

Information, Education and Communication (IEC) awareness campaigns are being conducted and stakeholders are being trained on an ongoing basis.

### **Provision of Post Exposure Prophylaxis (PEP)**

Hospitals, selected clinics and community health centres (which have forensic trained nurses) provide Anti-Retroviral drugs within 72 hours of exposure as prophylaxis for rape survivors.



### **Anti-Retroviral Treatment Programme (ARV)**

The ARV programme is an integral part of the Comprehensive Treatment, Management and Care Plan for HIV and AIDS patients. The first site became functional in May 2004. An ARV site consists of a treatment site and approximately three referring assessment sites. In some districts, treatment and assessment sites were combined due to the small number of patients and large distances. The Centre of Excellence at Pelonomi Hospital offers specialist care to patients on Anti-Retroviral Therapy and supports professional staff at the ARV sites. During 2007/08, 6 sub-districts were accredited as service points which brings the number to 19 local areas with fully accredited sites for providing comprehensive care and treatment for patients infected with HIV and AIDS. These sub-districts are Letsemeng, Kopanong, Mangaung, Moqhaka, Maluti-A-Phofung and Setsoto.

A pilot project to explore the nurse-initiated ARV trial, commenced in September 2007. Phase 1 was implemented and toolkit on how to implement the STRETCH (Streamlining Tasks Rules, Expanding Treatment and Care for HIV and AIDS), was developed and distributed. Data capturers were appointed and trained on Meditech and Master Trainers trained on the STRETCH program. Phase 2 has been implemented, i.e. Nurses writing repeat prescriptions. 15 out of the 16 clinics on the STRETCH program, commenced with phase 3, i.e. nurses initiating ARV treatment.

### **Sexually Transmitted Infections (STI) training**

Treatment Protocols on the Syndromic Management of STIs are available in all health facilities.

### **NGO/CBO involvements and service level agreements**

- 65 NGO delegates from 6 NGOs were trained and mentored on management skills funded by Ireland Aid.
- 12 NGO delegates from Xhariep district from the 6 NGOs were trained on computer skills funded by Ireland Aid.
- 25 NGOs trained on ART to support DoH in social mobilization funded by Ireland Aid.
- 24 district officials trained on monitoring and evaluation of NGOs funded by Ireland Aid.
- 24 NGOs funded for HIV and AIDS prevention for 2007/2008.

### **Training of service providers**

Service providers are trained to prevent and manage the symptoms and complications of chronic diseases as follows:

#### ***Anti-Retroviral Therapy***

By the end of March 2008, a total of 3050 health care workers had been trained on the Comprehensive Management of HIV and AIDS in the province. Training of staff has been done to ensure that at least one person per facility has ARV training.

#### ***Tuberculosis***

Training aims to ensure that at least one person per facility has TB training. Staff rotation and turnover remains a challenge, however.



### ***TB Direct Observed Treatment Support (DOT)***

A total of 2340 volunteers (DOT Supporters and Home Based-carers) are currently receiving a stipend to render treatment support to a total of 85 673 TB patients (2007). Retraining of 350 volunteers on DOT was done with the help of TB Free - a total of 164 still need to be trained. The DOT coverage of patients on TB treatment is currently at 92, 2%.

### ***Education and awareness***

Community education and awareness is done by means of campaigns, radio talks, and distribution of pamphlets, posters and information sessions.

### ***Quality assured tuberculosis sputum microscopy laboratory results turn around time (TAT)***

The TAT of 48 hours remains a challenge. The provincial target for TAT is 80% of all sputum smears results within 72 hours; this is below the national target of 80% within 48 hours. A new Short Message Service (SMS) via cell phone devices has been introduced by NHLS to improve the TAT.

### ***Training of Service Providers***

A total of 393 professional nurses were trained on the integrated TB & HIV Management. PALSA Plus training was extended to clinics other than the ARV assessment sites. A total of 128 clinics were covered by the training. PALSA Plus guidelines were distributed to all Primary Health Care (PHC) facilities.

### ***Electronic TB Register (ETR.Net)***

The process of expanding the ETR.Net to hospitals is having a lot of challenges because not all hospitals have dedicated TB coordinators to oversee its implementation.

## **Maternal, Child and Women's health and Nutrition**

### **Cervical Cancer Screening Programme**

Cervical cancer screening done on targeted women of age 30 and over. The number of targeted women screened for 2007/08, was 25 000 compared to 15 734 in 2006/07. The coverage rate increased from 3.2 in 2006/07 to 6.6 in 2007/08.

### **Genetic Services**

The Genetics Services programme is responsible for the training of district genetic nurses as facilitators for genetic disorders, support groups and to provide support to the haemophilia treatment centre at Universitas. A register of Birth Defects is available at each health facility in the province. An evaluation tool for these defects was finalised and distributed to the five health districts for implementation.

During 2007/08, four (4) professional nurses were trained in the management of haemophilia. This has increased accessibility of the service to clients who are affected by this genetic disorder. The number of haemophilia clients in the province is 173 with

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Notification of priority birth defects attempts to establish a baseline of prevalence of genetic birth defects toward better management of these conditions. The numbers of reported priority birth defects are as follows: 6 cleft lip; 11 cleft palate; 3 spina bifida; 6 anencephaly and 4 encephalocele. A Genetics Awareness Campaign was held in Lejweleputswa on 26 – 28 October 2007 and pamphlets on various genetic disorders were distributed to the community. Health talks on prevention of priority birth defects were given in 5 churches in the province.

14/30 facilities are doing genetic screening. All five districts in the province are implementing the new standardized data collection tool.

### **Maternal Health**

The Annual Provincial Maternal Deaths Report for the 2006 calendar year reveals that a total of 189 maternal deaths were reported in the Free State, compared to 165 maternal deaths for the 2007 calendar year. This brings the maternal mortality ratio to 288/100 000 live births.

The 3<sup>rd</sup> Saving Mothers Report (2002 – 2004) was launched during February 2007 and disseminated in the province. Guidelines for maternity care, the “Saving Mothers” Report 2002-2004 and posters on protocols to manage common conditions leading to maternal deaths, are available and implemented in all facilities rendering maternity services.

### **Perinatal and Neonatal Health**

During 2007/08, the department increased PPIP sites from 12 to 21 to support neonatal health care. Resuscitation equipment was purchased to train health care workers on resuscitation techniques of newborn babies.

The fifth “Saving Babies” Report for the period 2003-2005 was published in July 2007 by the Medical Research Council (MRC). The province launched this report in January 2008 and five national recommendations were adopted for implementation in 2008/09. This report covers the perinatal, stillbirth and neonatal death rates. The recommendations are aimed at reducing the incidences of avoidable factors that cause death. Copies of the report were disseminated in the province to ensure implementation of the five national recommendations.

A total of 275 facilities (30 hospitals, 10 community health centres, 235 PHC clinics) are implementing the recommendations of the “Saving Mothers” and “Saving Babies” reports. The quality of implementation is being monitored.

39 out of 40 maternal health facilities have advanced midwives. Training and support is rendered where gaps are identified. A Partogram Survey was completed in 8 hospitals. Training of midwives on correct use of partogram was completed in Thabo Mofutsanyana and Lejweleputswa. Neonatal Health Care was supported by the 12 PPIP sites. The primary causes of perinatal deaths were identified and key recommendations were made. Training on resuscitation was conducted at Universitas and equipment for resuscitation training is being purchased for all districts.



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### Department of Health

, a colour coded sticker system for transportation of pregnant women is being implemented in all districts. Emergency transport is designated specifically for pregnant women and newborn babies. Partogram training was conducted and support in this regard is being maintained in all five districts.

### **Termination of Pregnancy (TOP)**

The Choice on Termination of Pregnancy Act (Act 92 of 1996) was implemented to reduce maternal morbidity and mortality that relates to unsafe methods of terminating pregnancy.

At the end of March 2008, 7 194 pregnancies were safely terminated in public- and private hospitals in the province compared to 6 674 in 2006. The department provided contraceptives in all clinics and extended contraceptive services to approved private services.

At the end of 2007/08, 14 out of 40 facilities (9 public- and 5 private facilities) provided TOP services. Accessibility and availability of this service contributes to the promotion of maternal health by preventing maternal deaths that were caused by amongst others, illegal abortions.

Two (2) doctors were trained by IPAS as master trainers in the second trimester termination of pregnancy.

### **Management of Childhood Illness (IMCI)**

The infant mortality rate for 2007 was 113/1000 and the under 5 mortality rate, 89/1000. Vitamin A supplementation was provided to 100,9% of children 0-60 months and to 105% of post-partum mothers in the province. All five districts and 15 sub-districts are implementing the household and community IMCI component.

### **Nutrition**

22 out of the 31 facilities (60%) have been certified Baby Friendly. During 2007/08, five health facilities have been re-assessed and managed to retain Baby Friendly Status i.e. National-, Mofumahadi Manapo Mopeli-, Metsimaholo-, Stoffel Coetzee hospitals and MUCPP.

### **Expanded Programme on Immunisation**

To improve child survival, there is a special focus on measles coverage. The average immunization coverage in the Free State decreased from 88.9% in 2006 to 87,4% in 2007. The Reach Every District (RED) strategy has been introduced in districts (3) and sub-districts with low immunization coverage. The change over of the DT vaccine to Td, took place during February 2008 in health care facilities that provide immunisation services.



## Disease Surveillance

### **AFP (Acute Flaccid Paralysis)**

During 2007/08 the Free State remained Polio Free. AFP surveillance has been implemented in all (5) districts. Surveillance sites have increased from 33 to 41 sites of which 6 are based in regional hospitals, 1 in the tertiary hospital and 6 at private hospitals.

The target for AFP cases is 2 cases per 100'000 population of children under the age of 15 with a stool adequacy rate of 80%. For each suspected case, 2 stools must be collected 24 hours apart within 14 days of onset of paralysis.

### **Measles**

A total of 122 suspected measles cases were investigated in the Free State with no positive measles cases reported, however 46 of these cases were confirmed Rubella cases. These cases occurred mainly in Thabo Mofutsanyana and Xhariep districts, which were put on high alert. One suspected case of measles in Dihlabeng sub-district was investigated and found to be a false positive measles case. All districts achieved the set target to investigate suspected measles for the 2007/08.

## Non-Communicable Diseases Control

### **Oral Health Services**

The National PHC package and National Norms, Standards and Practice Guidelines for Oral Health, defines the basic package to be provided for oral health services. In the province, 27 out of 81 oral health facilities provide the basic package as prescribed whilst other clinics provide extractions only. Oral Health services focus on prevention, promotion and treatment of oral diseases. The provincial extraction to filling ratio stands at 7:1.

Orthodontic Services will be provided in the province as soon as all equipment has been procured. Infection Control equipment to the value of R1 086 375 was procured and distributed among the five districts.

### **Eye Care Services**

Eye Care Services focus on prevention of blindness through partnership with the University of the Free State: Department of Ophthalmology and Optometry as well as the National Council for The Blind (Bureau for the Prevention of Blindness). The objective of this partnership is to reduce blindness due to cataract and refractive error. The optometry outreach programme is conducted in Fezile Dabi, Lejweleputswa, Thabo Mofutsanyana and Xhariep districts. Five optometrists were appointed at the beginning of 2007.

During the 2007 calendar year a total of 3065 cataract operations were done, compared to 2 374 in 2006. The cataract operations per million population for 2007, was 1415. A total of 4 601 spectacles were provided for the 2007 calendar year.



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Implementation of Mental Health Care legislation and provincial Mental Health Policy is maintained through the following activities:

- Maintained designation of the Free State Psychiatric Complex and Mofumahadi Manapo Mopeli Regional Hospital.
- Improved functioning of the 3 Mental Health Review Boards.
- Strengthen implementation of 72-hour assessment at identified and listed District Hospitals.
- Integration of Mental Health services into Primary Health Care Services.

### **Substance Abuse Services**

The provincial Substance Abuse component was established in 2006 with the focus on implementing the mandate of the department as prescribed by the National Drug Master Plan 2006 -2011. The activities can be outlined as follows:

- Training of health professionals on substance abuse screening, management and referral.
- Support District Hospitals to implement detoxification services, and
- Finalise Provincial Substance Abuse Policy. Substance Abuse Policy was finalised. The policy outlines substance abuse services to be provided at all levels of care. 32 Primary Health Care Clinics, 16 District Hospitals, 4 Regional Hospitals and 1 Tertiary Hospital were supported to implement the policy.

### **Chronic Diseases, Geriatrics and Palliative Care**

The total number of known patients with diabetes in the Free State during the period is approximately 46 676, whilst a similar number of individuals were unaware of the fact that they had diabetes.

A need exists to examine the capacity of the primary health care service at clinic and district level to provide proper diabetes care, based on recognised national and international guidelines and according to estimated patient numbers.

The National Cancer Control Program was reviewed. National guidelines on priority chronic diseases are available and have been implemented in the Free State. Awareness campaigns on priority chronic diseases and its complications are ongoing. Guidelines have been developed for management of Long Term Domiciliary Oxygen Therapy for patients with chronic obstructive pulmonary diseases.

### **Environmental Health Services**

Environmental Health Services is one of the corner stones of the National Health System that seeks to promote good quality health through the control of nuisances and environmental risks that could have an impact on the environment and human health. The program consists of Food- and Port Health, Pollution Control and Waste Management. The department has a legislative mandate to render provincial functions such as Port Health, Hazardous Substances, Pollution and Malaria Control as well as a constitutional mandate to monitor Municipal Health Services. This is based on Section 155 (6) (a) (b) of the Constitution of the Republic of South Africa (Act 108 of 1996), that states that provinces have a legal obligation to provide a monitoring and support role to



local government and to promote the development of local government capacity to enable municipalities to perform their functions and manage their own affairs

### **Food and Port Health Service**

Port Health Service functions as a first-line of defence by taking measures to prevent the spread of diseases and reservoirs of diseases or vectors from entering and/or leaving the province. Food services mainly focus on the safety and quality of food within the province.

Designated ports of entry have been established at Bloemfontein Airport, Van Rooyen's Gate, Ficksburg, Caledonspoor and Maseru Bridge and are being manned by provincial Environmental Health Practitioners (EHP). A draft strategy for implementation of Port Health Service was developed and awaits approval. Port Health Officers have received basic training and equipment to render port health service.

The following is a summary of six months of data of products that were cleared at the ports of entries:

Port of Entry	Nr of Port Health Officers	Imports inspected	Exports inspected	Inland imports/ Extended detention	Mortal remains	Flight from endemic areas
Caledonspoor	01		71 consignments of fruits, vegetables cereals, meat, sweets, etc. 02 consignments non-compliant.	02 consignments of NAN 1 & 2.	2 compliant	-
Ficksburg	01	01 consignment	216 consignments of fruits, vegetables, cereals, meat, sweets, etc. 08 non-compliant.	482 291kg of 53 consignments of NAN 1 & 2	-	-
Maseru Bridge	01	35 consignments of cosmetics, meat, fruits & vegetables, 10 consignments non-compliant.	30 208 kg of 293 consignments of fruits, vegetables, cereals, meat, sweets, etc 12 consignments non-compliant.	457kg of 02 consignments of sweets	2 compliant	-
Van Rooyen	Serviced by Bloemfontein airport PHO.	725kg of 04 consignments of vegetables	55 consignments, consignments	-	-	-
Bloemfontein	01	-	-	21000kg Rice imported from Thailand. Compliant. 1 consignment	-	-

From the data above, one can indicate that more exports were inspected than imports and there are more extended detentions that were cleared than imports. The low reporting at Bloemfontein Airport can be attributed to the low frequency of inspections and lack of coordination of port health activities at the airport. Proper coordination and increase in the frequency of inspection at Bloemfontein Airport will improve port health service.

Port health officers were also placed on high alert during the outbreak of meningococcal meningitis in Lesotho. Pamphlets were distributed at the affected ports of entry.



## FREE STATE PROVINCE

### Department of Health

Port health officers attended local Border Control Coordinating Committee (BCOCC) meetings. The Local BCOCC meetings address infrastructural and operational issues affecting the ports of entry. The following Departments are members of both the local and provincial BCOCC:

- The Department of Health,
- South African Revenue Services (SARS),
- Home Affairs,
- South African Police Services (SAPS),
- South African National Defence Force (SANDF),
- Department of Agriculture,

### **Food Safety**

Food Control Committees are operational in all the districts within the Province. During 2007/08, the following food samplings were undertaken:

Product	Thabo Mofutsanyana	Xhariep	Fezile Dabi
Mycotoxin: Ochratoxin A; Currants	4 Samples	4 Samples	4 Samples
Coffee: Instant Coffee & Ground Coffee	4 Samples 2 Samples	6 Samples 4 Samples	6 Samples 2 Samples
Mycotoxin: Deoxynivalenol, Maize Meal	4 Samples	4 Samples	4 Samples
Wheat Flour: Cake Flour	3 Samples	3 Samples	4 Samples
Bread Flour	4 Samples	3 Samples	3 Samples
Whole-Wheat Flour	3 Samples	4 Samples	3 Samples
Mycotoxin: Patulin, Apple Juice	12 Samples	12 Samples	12 Samples
<b>Total</b>	<b>40 samples</b>	<b>40 samples</b>	<b>40 samples</b>

- Peanut butter: Aflatoxin.
- Cayenne pepper: Chemical (Sudan Read) analysis.
- Milk: Bacteriological- and chemical analysis.
- Water: Bacteriological and chemical analysis.

### **Pollution Control Service**

The service includes monitoring and control of hazardous substances, creation of healthy settings, correct management of health care risk waste and promotion of health and hygiene education on water and sanitation.

### **Control of Hazardous substances**

The manufacturing, selling, letting, using and application of hazardous substances is regulated by the Department of Health. It is a legislative requirement for the Health Department to issue to a person a license for a business to carry or supply Group I or Group II hazardous substances and to manufacture, sell, let, use or apply any Group I or Group II hazardous substances.

During 2007/08 financial year, 127 licenses were issued and the following is the status of issued licenses per health district:



District	Number of licences issued
Lejweleputswa	28
Motheo	10
Xhariep	16
Thabo Mofutsanyana	41
Fezile Dabi	16
<b>Total</b>	<b>127</b>

### ***Health Care Risk Waste Management***

The management of Health Care Risk Waste in all provincial hospitals has been outsourced to the private sector. A new contract was awarded to Millennium Waste Services and Compass Waste Services with effect from 01/09/2007 for a period of 3 years. The new contract covers hospitals, clinics, state mortuaries, laundries, community health centres and Emergency Services.

During 2007/08, 15 officials from state laundries and 10 from state mortuaries were trained in the safe management of health care risk waste.

## **POLICIES, PRIORITIES AND STRATEGIC GOALS**

An ***Operational Plan for CCMT*** was tabled in 2003 and seeks to manage HIV and AIDS comprehensively. This plan is guided by the following principles from the National Strategic Plan 2007- 2011:

- Prevention
- Treatment, Care and Support
- Research, Monitoring and Surveillance and
- Legal and Human Rights

### ***Policy for cadres of community workers***

The policy for cadres of community workers remains in place. Following announcements by both the Minister of Health and the Premier, Home Based Carers, Voluntary Confidential Councillors and DOT supporters received an increase ranging from R500 to R1000 per month, during the second half of 2006.

### ***Post Exposure Prophylaxis***

National policies on Sexual Assault and Guidelines on Management of Sexual Assault were implemented and training has commenced. The provincial Victim Empowerment Policy that was developed during 2006, was reviewed to incorporate the new National Sexual Assault Policy and National Guidelines on Sexual Assault Care.

### ***Anti-Retroviral Treatment Programme***

Provincial policies include the ARV Strengthening Plan and ARV Drug Management Policy. Guidelines for the management of adult and paediatric patients are being implemented which includes nutritional management. ART Children Treatment Guidelines as well as the Management of Adverse Drug Events Guidelines have also been implemented.



## FREE STATE PROVINCE

### Department of Health

The National Policy on Syndromic Management of Sexually Transmitted Infections has been implemented.

### **TB Management**

The TB Control Programme is based on the Presidential Priorities 2007- 2009 which are as follows:

#### ***Strengthen TB Management***

- Dedicated TB personnel provided at provincial, district and sub-district level in all provinces.

#### ***Strengthen the implementation of DOTS***

- 60% of TB patients on DOT.
- 70% of new smear positive PTB patients who converted at 2 months from positive to negative.

#### ***Improve TB Case Detection***

- 100% of PTB suspects whose sputum was tested.

#### ***Social mobilization to destigmatize TB, ensure early presentation and treatment completion***

- Less than 10% of new smear positive PTB patients defaulting at the end of intensive phase of treatment.

#### ***Ensure good quality of TB services***

- 50% of health facilities with a turn-around-time (TAT) of 48 hours or less.

#### ***Manage MDR-TB patients effectively***

- 1% of MDR-TB among new patients;
- 6% of MDR-TB patients among re-treatment patients;

#### ***Manage XDR-TB patients effectively***

- 100% of XDR-TB initiated on treatment, and
- 5% of XDR-TB among all MDR-TB patients.

The management of TB is being strengthened with the implementation of the TB Crisis Plan in Fezile Dabi district, which is a high priority area.

The following policies are in place for implementation:

- National MDR-TB Policy
- Infection Prevention and Control Policy
- TB Treatment Policies have changed from 5 to 7 days administration

### **HAST**

The TB Control Programme adheres to the objectives of the National TB Control Programme. A provincial HAST (HIV/AIDS/STI and TB) committee and four (4) district



HAST committees are fully functional and ensure that TB/HIV integration activities take place at all facilities in the Free State.

### **Child Health and Nutrition Policies**

#### **Expanded Program on Immunisation (EPI)**

- The policy on the change over from DT to Td vaccine was developed and implemented in February 2008.
- The policy on Anaphylactic Shock is being developed by National EPI Directorate and is still in draft format.
- The final draft policy on Measles Immunisation for children admitted to hospitals, awaits approval.

#### **Disease Surveillance**

The implementation of the following policies were monitored:

- Management of Neonatal Tetanus.
- Measles surveillance.
- Acute flaccid paralysis.

#### **Child Health**

- A draft policy on the Management of Child Health for the Free State was developed and awaits approval.

#### **Nutrition**

- The provincial Breastfeeding policy was reviewed and is now known as the provincial Infant Feeding policy.
- TTO (To take out) and Enteral Feeding policy was developed to assist with the provisioning of nutrition supplements to people admitted to hospitals and in need thereof.
- The provincial Foodservice Management policy has been revised.
- The Nutrition Supplementation Programme policy has been revised.



## FREE STATE PROVINCE Department of Health

The national Food Based Dietary Guidelines have been included in the Healthy Lifestyle promotional activities. These guidelines are also used at implementation level, by health care workers to educate and inform patients with lifestyle diseases on modification of lifestyles as part of their treatment.

- The Supplementary Nutrition program has been implemented in all health facilities to support the treatment and management of people living with HIV and AIDS, TB, debilitating conditions and various forms of malnutrition (underweight, kwashiorkor, marasmus and marasmic kwashiorkor). A total of 71 544 people received food supplements which includes individuals from the aforementioned conditions, as well as pregnant women in an attempt to prevent low birth weight.
- Food supplements were given to prevent malnutrition amongst orphans and vulnerable children.
- The nutritional supplementation program is available at all public health facilities.
- Where households did not have food security, they were supported through the supplementary program and health education as part of the Home Based Care Program.
- Nutrition support has been implemented in hospitals to strengthen the management of severe malnutrition amongst children younger than 5 years. The case fatality rate is not the same as mortality. Nutrition support to decrease fatality rate is a separate programme from the nutrition supplementation program and is available at hospitals only. It is aimed at patients admitted to hospitals due to severe malnutrition to prevent death.
- Contribute to the reduction of malnutrition of the following groups of children through the supplementary nutrition programme and health education:
  - Underweight rate for children younger than 5 years remained almost the same with 78.7% in 2006 to 78.2% in 2007, (1.1 p K in 2007).
  - The severe malnutrition rate remains 23.78% in 2007.
  - 1.1% for the not-gaining weight rate.

### **Expanded programme on Immunisation including disease surveillance**

The immunisation coverage for children under one year has dropped from 88.9% in 2006 to 87.4% in 2007. The measles coverage under one year has dropped from 89% in 2006 to 88.1% in 2007. The measles elimination strategy has been strengthened by the implementation of the RED strategy in all 5 districts.

### **Strategies to reduce under 5 morbidity and mortality**

97% of the Primary Health Care facilities were supported in implementing IMCI. IMCI training courses for health care professionals were conducted and 75% of PHC services have saturation of IMCI trained personnel. All five districts and 15 subdistricts implemented the household- and community IMCI component.

### **Strategies to decrease maternal morbidity and mortality**

- Implementation of the guidelines and protocols from Saving Mothers report, Saving Babies report, Guidelines for maternity care in South Africa, and Essential Steps in the Management of Common Conditions associated with Maternal Mortality.
- Ten Key Recommendations by the National Committee on Confidential Enquiries into Maternal Deaths (NCCEMD); implemented in the province.



- PMTCT are offering CD4 counts to HIV positive pregnant women at all institutions rendering maternity health services. There is still a challenge with mobile clinics not fully providing CD4 count testing.
- Fast tracking of HIV positive pregnant women to improve access of pregnant women to ARVs, implemented.

### **Strategies to improve access to reproductive health services**

Provide contraceptives in 90% of clinics, extend contraceptive services to approved private services and increase the number of facilities providing Termination of Pregnancy services.

### **Policies for reproductive health services**

- The Choice on Termination of Pregnancy Act (Act 92 of 1996), as amended.
- Guidelines for the care and prevention of the most common genetic disorders, birth defects and disabilities.
- National Contraception Policy Guidelines.
- Maternal Health Guidelines.

### **Eye Care Services**

- The provincial Eye Care Policy is being implemented in all districts.
- National guidelines on cataract surgery, prevention of blindness, management of eye conditions at primary level and refractive errors have been implemented in the districts.
- The National and Provincial priority is to reduce blindness due to cataract and refractive errors.
- The strategic goal is to strengthen initiatives to prevent and reduce blindness through partnerships and increase the cataract surgery rate.

### **Mental Health Services**

- Mental Health services are provided in line with the Mental Health Care Act and the approved provincial Mental Health Policy.
- The provincial priority is to strengthen community based Mental Health services in partnership with relevant stakeholders.
- The strategic goal is to establish community based Mental Health services per district.

### **Substance Abuse Services**

- Provincial Draft Substance Abuse Policy is available.
- The priority is to implement objectives of the Drug Master Plan 2006 – 2011.
- The strategic goal is to reduce and prevent the harmful effects of the use of alcohol and other drugs in collaboration with other stakeholders.

### **Oral Health Services**

- The Oral Health Policy in line with the National Oral Health Strategy is available.
- The Oral Health Infection Control Policy was drafted and will be included in the departmental infection control policy.



## FREE STATE PROVINCE

### Department of Health

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presented to Provincial Health Council, National and Free State Institute of Environmental Health, SALGA Free State, Central University of Technology, Free State Environmental Health Forum. It is awaiting final approval by the MEC of Health, MEC Local Government and Housing and SALGA Free State.

- The Hazardous Substances Act is currently under review.
- Health Care Risk Waste was outsourced to comply with the Environmental Management Act (Act 107 of 1989).
- A Port Health Strategy was developed and awaits approval.
- A Health Care Risk Waste Management Policy for the Free State was developed and awaits approval.

### ***Provincial decentralisation strategy for district health system development***

Municipal Environmental Health Officers in three district municipalities were devolved to the District Municipalities in line with the National Health Act (Act 61 of 2003).

## **CHALLENGES AND CONSTRAINTS**

### **BURDEN OF DISEASE**

Relations with external stakeholders will be strengthened e.g. liaison with traditional healers via the traditional healers sub-directorate.

#### ***Human Resources***

Professional nurses need to be empowered to initiate ART on uncomplicated patients.

## **TB MANAGEMENT**

### ***Finance***

Inadequate funding for TB and MDR/XDR-TB management: A budget bid for additional funding has been submitted to the Provincial Treasury. An additional amount of R15 641 187.00 was received from National Treasury to strengthen the TB crisis in the Province.

### ***Human Resources***

There are no dedicated TB coordinators at local- and facility level. Rotation and staff turnover are a big challenge and a retention strategy needs to be put in place. Districts are looking at the appointment of coordinators at local area-level in the province.

### ***Support systems***

Volunteers are being placed in Ancillary Health Care training and are leaving the DOT Programme. A need exists for the recruitment of additional volunteers to improve DOT coverage in the Free State.

### ***Information***

A plan was implemented to recruit data capturers through the Expanded Public Works Programme in order to improve the quality of data and to avoid late reporting.



## **MOTHER, CHILD AND WOMEN'S HEALTH**

### **Choice on Termination of Pregnancy (CTOP)**

Accessibility to CTOP services remains a challenge. There are only a few operating facilities and the demand is high. Additional facilities with four private General Practitioners are to be opened to increase accessibility of choice on Termination of Pregnancy services.

There has been an increasing emergence of illegal abortion clinics all over the province. In an attempt to address this, the department has collaborated with SAPS to shut down these clinics.

### **Reproductive Health-related cancers**

Cervical Cancer screening services in Botshabelo clinics are still not integrated into the District Health System model. This has had a negative impact on the number of pap smears done in all the clinics as well as the quality of smears taken.

### **Perinatal Problem Identification Programme (PPIP)**

Due to the shortage of personnel at PPIP sites, perinatal review meetings were not held regularly and monitoring and evaluation of these sites could not be done effectively. Follow-up on statistics to be sent by PPIP sites was also not done on a regular basis. Consequently, the Annual Provincial PPIP Report for 2007 could not be generated. As from January 2008, the objectives of the programme resumed.

### **Youth Health**

Accreditation of clinics by Lovelife as Youth Friendly was put on hold due to lack of funding and shortage of personnel to facilitate accreditation. Continued collaboration with Lovelife will ensure accreditation of these clinics in the 2008/2009 financial year.

### ***Finance and financial management***

Districts find it difficult to comply with national programmes and still render services with current levels of funding and the burden of disease.

### ***Human Resources***

Recruitment and retention of staff has an impact on the achievement of national priorities.

### **Personal Health Care**

Within current funding and incentives, it remains a challenge to appoint and retain staff in the following categories essential for Personal Health Programmes:

- Optometrist
- Ophthalmologist
- Ophthalmic nurses
- Dental assistants
- Dentists
- Oral Hygienists
- Dental Specialists



## FREE STATE PROVINCE

### Department of Health

A lack of capacity exists to render effective and efficient mental Health Care, Treatment and Rehabilitation services at regional- and district hospitals. This needs to be addressed through training and capacity building on a continuous basis.

Challenges that exist are the appointment and retention of appropriate staff for effective rendering of Mental Health Care Services at all levels of care as well as a lack of Community Based Mental Health Services to support implementation of Mental Health Care Services in the Free State.

A lack of funding exists for eye care equipment and human resources, dental equipment as well as community based mental health services.

### Environmental Health Services

#### **Finance**

The municipalities are experiencing financial constraints for rendering Municipal Health Service. District Municipalities were funded R12 per household for rendering Municipal Health Service.

The province conducted financial viability analysis and the findings indicated that Municipalities required R30 741 498 to render minimum municipal health service within their area of jurisdiction. On further analysis, the findings indicates that the cost of rendering municipal health service in Free State was R14 803 512 during the 2007/08 financial year as opposed to the required R30 741 498.

#### **Resources**

- Lack of office accommodation at ports of entries
- Minimum sampling equipments,
- Lack of Port Health Assessment areas
- Rendering of Comprehensive Port Health Service (including basic Primary Health Care at Bloemfontein Point of entry),
- Lack of transport for Environmental Health Practitioners (EHPs) to perform their duties.

#### **Human Resource**

The province is experiencing shortage of Environmental Health Practitioners (EHPs). The national norm for environmental health practitioners per population is 1 Environmental Health Practitioner per 15 000 population. The Free State is currently at 1 Environmental Health Practitioner per 29 190 population. There is a general shortage of 90 Environmental Health Practitioners in the province.

### Nutrition and Child Health

#### **Finance**

The implementation, development and expansion of Nutrition and Child Health programmes were limited to national and presidential priorities, only due to a severe budget cut and stringency measures.



***Human Resource***

A shortage of operational and management officials contributed to the limitation of implementing and expanding Nutrition and Child Health.



## FREE STATE PROVINCE Department of Health

### TABULAR REPORTING ON PERFORMANCE AGAINST PROVINCIAL ANNUAL PERFORMANCE PLAN FOR 2007/08

Table 9: Performance against targets from 2007/08 Annual Performance Plan for the District Health Systems Programme

Objectives	Indicator	2005/06: Actual	2006/07: Actual	2007/08: Actual	2007/08: APP Target
<b>BUDGET SUB PROGRAMME: DISTRICT MANAGEMENT</b>					
<b>GOAL 1: COMPASSIONATE AND QUALITY SERVICES</b>					
Implement the provincial health promotion strategy	Number of health promotion structures functioning at appropriate levels.	Not applicable.	4 District health promotion forums, 1 Provincial forum.	One Provincial Health Promotion Forum and three District Health Promotion Forums fully functional.	6 health promotion structures functioning at appropriate levels (1 additional district).
	Number of community projects implemented.	Not applicable.	10 community projects implemented.	18 community projects sustained in five districts.	11 community projects implemented.
	Number of settings-approach projects implemented.	Not applicable.	Settings-approach projects implemented.	53 settings-approach projects have been implemented and progress is ongoing.	Settings-approach projects implemented.
	Number of districts implementing the 5 priority health promotion campaigns (nutrition, substance abuse, tobacco and physical activity).	Not applicable.	5 districts implementing but have no formal plans.	All five districts are implementing according to the Health Promotion Strategy. Each district has its own formal plan, which is based on this strategy.	5 districts implementing and have formal plans.
Enhance the promotion of healthy lifestyles and encourage changes from risky behaviour, especially among the youth	Number of districts implementing context-specific plans for the promotion of a healthy lifestyle.	Not applicable.	Not applicable.	All five districts implementing context-specific plans for the promotion of a healthy lifestyle.	3 districts.
	Number of (provincially agreed upon) strategies implemented in each district, which are aimed at reducing chronic diseases of lifestyle.	Not applicable.	Not applicable.	Five strategies, which are aimed at reducing chronic diseases of lifestyles, have been implemented in all 5 districts. Risk factors like obesity, tobacco smoking, alcohol and other substances abuse, and unsafe sex are addressed.	2 districts implementing strategies.
	Number of health districts implementing the Household and Community component of Integrated Management of Childhood Illnesses (IMCI).	2 districts implementing the Household and Community component of IMCI.	3 districts implementing the Household and Community component of IMCI.	5 Districts implementing the Household and Community component of IMCI.	4 districts implementing the Household and Community component of IMCI.



Objectives	Indicator	2005/06: Actual	2006/07: Actual	2007/08: Actual	2007/08: APP Target
<b>BUDGET SUB PROGRAMME: DISTRICT MANAGEMENT</b>					
<b>GOAL 1: COMPASSIONATE AND QUALITY SERVICES</b>					
Implement the District Health System according to legislation.	% implementation of District Plans.	Not applicable.	100 % implementation of District Plans.	District Plans for 2007/08 developed and 100% implemented with monitoring and evaluation done. District Plans for 2008/2009 completed and approved by Management and District Health Committees - implementation will commence in April 2008.	% implementation of District Plans.
Implement the Free State Department of Health Services Marketing Strategy.	% institutions implementing institutional marketing plans.	Not applicable.	Not applicable.	Service marketing plans 100% implemented in all facilities in the five districts, including District Hospitals.	50% of institutions implementing institutional marketing plans.
Provide appropriate and accessible level of health care services for the designated catchment population.	% compliance with Free State Department of Health Clinical Governance Plan	Not applicable.	Laundries had external survey for accreditation.	No progress has been made due to a lack of funding to complete accreditation.	Sustain accreditation standards.
		Not applicable.	Free State quality strategy includes this and is implemented to some extent.	Monthly mortality and morbidity meetings are conducted by clinical services. Meetings linked with Regional Hospitals in some Districts.	Clinical Governance structured.



## FREE STATE PROVINCE Department of Health

Objectives	Indicator	2005/06: Actual	2006/07: Actual	2007/08: Actual	2007/08: APP Target
<b>BUDGET SUB PROGRAMME: DISTRICT MANAGEMENT</b>					
<b>DAL 1: COMPASSIONATE AND QUALITY SERVICES</b>					
Provide appropriate and accessible level of health care services for the designated population (continued).	% compliance with Free State Department of Health, health and safety auditing tool.	Not applicable.	18 institutions have trained Health and Safety representatives on how to use checklist.	<p><b>Xhariep:</b> 23 trained representatives in Health and Safety.</p> <p><b>Lejweleputswa:</b> 10 Health and Safety committees and 24 trained representatives in Health and Safety.</p> <p><b>Thabo Mofutsanyana:</b> 11 Health and Safety committees and 103 trained representatives in Health and Safety.</p> <p><b>Fezile Dabi:</b> 8 Health and Safety committees and 35 trained representatives in Health and Safety.</p> <p><b>Motheo:</b> 8 Health and Safety committees and 33 trained representatives in Health and Safety.</p>	To provide training to Health and Safety representatives and at 1 institutions on OHS Act 1993.
	% compliance with Free State Department of Health Clinical Risk Management Plan.	Not applicable.	Free State quality strategy includes this and is implemented to some extent. Policy drafted and being refined.	All district hospitals have Risk Management Plans, which have been implemented and are being monitored.	All hospitals have Risk Management Plans and clinics developing plans.
Provide appropriate and accessible level of health care services for the designated population.	Number of institutions and local areas implementing the appropriate service packages per level of care.	20 Local areas implementing the appropriate service packages per level of care.	20 Local areas implementing the appropriate service packages per level of care.	Appropriate service package 100% implemented in all 20 local areas and in line with the referral system.	20 Local areas implementing the appropriate service packages per level of care.
	% achievement of efficiency targets (Provincial PHC expenditure per headcount at provincial PHC facilities) (National target R99).	66% achievement of efficiency targets.	58% achievement of efficiency targets.	<p>Achievement of provincial PHC efficiency targets for 2007/08:</p> <ul style="list-style-type: none"> <li>Doctors Clinical Workload: 30 patients.</li> <li>Professional Nurse Clinical Workload: 36 patients.</li> <li>PHC Headcounts: 5 903 503</li> <li>PHC Expenditure per Headcount: R119</li> <li>Utilisation rates PHC facilities: 2.0</li> <li>Utilisation rates PHC Below 5 years: 3.6.</li> </ul>	70% achievement of efficiency targets.



Objectives	Indicator	2005/06: Actual	2006/07: Actual	2007/08: Actual	2007/08: APP Target
<b>BUDGET SUB PROGRAMME: DISTRICT MANAGEMENT</b>					
<b>GOAL 5: STRATEGIC AND INNOVATIVE PARTNERSHIPS</b>					
Ensure sustainability of strategic partnerships.	Number of active partnerships per district with NGOs, NPOs, CBOs and FBOs.	Thabo Mofutsanyana 2 Xhariep 2 Fezile Dabi 4 Motho 4 Lejweleputswa 1	Thabo Mofutsanyana 5 Xhariep 2 Fezile Dabi 4 Motho 3 Lejweleputswa 5	Number of active partnerships established per district for 2007/2008, is as follows: <b>Xhariep:</b> 7 <b>Motho:</b> 6 <b>Lejweleputswa:</b> 10 <b>Fezile Dabi:</b> 6 <b>Thabo Mofutsanyana:</b> 7	Thabo Mofutsanyana 7 Xhariep 4 Fezile Dabi 6 Motho 6 Lejweleputswa 10
<b>BUDGET SUBPROGRAMME: DISTRICT HOSPITALS</b>					
<b>GOAL 2: REDUCE THE BURDEN OF DISEASE</b>					
Provide appropriate and accessible level of health care services for the designated catchment population.	Number of institutions implementing the appropriate service packages per level of care.	15 institutions implementing the appropriate service packages per level of care.	20 institutions implementing the appropriate service packages per level of care.	24 Institutions implementing the appropriate service packages per level of care, in line with the referral system: <b>Thabo Mofutsanyana:</b> 8/8 <b>Xhariep:</b> 3/3 <b>Motho:</b> 4/4 <b>Fezile Dabi:</b> 4/4 <b>Lejweleputswa:</b> 5/5	24 institutions implementing the appropriate service packages per level of care.
	% achievement of efficiency targets.	70% achievement of efficiency targets.	75 % achievement of efficiency targets.	Achievement of provincial district hospitals efficiency targets for 2007/08: ▪ <b>Average Length of Stay:</b> 3.1 days ▪ <b>Bed Occupancy Rate:</b> 68.7% ▪ <b>Caesarean Section Rate:</b> 11.8% ▪ <b>Patient Day Equivalent:</b> 521256 ▪ <b>Cost per PDE:</b> R1119 ▪ <b>OPD Headcounts:</b> 28098	90% achievement of efficiency targets.



## FREE STATE PROVINCE Department of Health

Objectives	Indicator	2005/06: Actual	2006/07: Actual	2007/08: Actual	2007/08: APP Target
<b>BUDGET SUB PROGRAMME: DISTRICT HOSPITALS</b>					
<b>GOAL 2: REDUCE THE BURDEN OF DISEASE</b>					
Implement the provincial quality improvement strategy	% compliance with QA indicators.	Not applicable.	19 more hospitals working towards accreditation.	Four (4) Hospitals are sustaining accreditation results for the next 2 years (i.e. Dr JS Moroka, National, Nketoana and Phekolong Hospitals). Out of the 12 hospitals that were awaiting accreditation results, 4 received focus surveys.	Sustain accreditation standards.
		Not applicable.	Await approval of National Policy.	Infection Control management implemented in all District Hospitals, Community Health Centres and PHC clinics in all five districts. The draft provincial policy is not available yet.	Draft Provincial Policy.
	% compliance with Free State Department of Health Infection Control Plan.	Not applicable.	Per hospital professional nurses attending infection control course at Wits university.	The National Health Plan has been utilised and checklists were developed and implemented in all five districts for monitoring.	Surveillance tools developed.
		Not applicable.	Infection control implementation management plan.	The National Infection Control Implementation Management Plan has been implemented in all District Hospitals. Internal policies were developed for all five districts.	Infection control implementation management plan implemented.



Objectives	Indicator	2005/06: Actual	2006/07: Actual	2007/08: Actual	2007/08: APP Target
<b>BUDGET SUBPROGRAMME: DISTRICT HOSPITALS</b>					
<b>GOAL 2 : REDUCE THE BURDEN OF DISEASE</b>					
Implement the provincial Quality Improvement Strategy.	% compliance with hospital emergency preparedness plans in line with provincial guidelines.	Provincial guidelines drafted	Situation assessed during workshop with stakeholders. Institutional plans due end September Review workshop.	24 District Hospitals with Emergency Preparedness Plans in place. Hospital drills are conducted on a continuous basis.	Review and conduct hospital drill.
Hospital facilities essential Maintenance Programme.	% of the budget allocated and spent for facilities maintenance (dependant on availability of funding).	2% of the budget allocated and spent for facilities maintenance.	4% of the budget allocated and spent for facilities maintenance.	Of the 5% budget allocated for maintenance, 3.5% was spent for facilities maintenance.	5% of the budget allocated and spent for facilities maintenance.
	% compliance with the Free State Department of Health Specialized Maintenance Programme (dependant on availability of funding).	No programme.	% compliance with the Free State Department of Health Specialized Maintenance Programme.	Of the R3,291,955 DHS maintenance budget, R2,275,550.79 was spent on maintenance of generators, air-conditioners and general building. The expenditure for 2007/08 per district, is as follows: <b>Thabo Mofutsanyana:</b> R857,927.35 <b>Khariel:</b> R431,968.34 <b>Fezile Dabi:</b> R156,191.81 <b>Motho:</b> R301,740.98 <b>Lejweleputswa:</b> R527,722.31	5% compliance with the Free State Department of Health Specialized Maintenance Programme.
	Number of facilities with appropriate clinical engineering support at facility level.	Not applicable.	1 facility per district with appropriate clinical engineering support at facility level.	Districts were assisted by Corporate Office and regional hospitals.	1 facility per district with appropriate clinical engineering support at facility level.
Implementation of the provincial Equipment Maintenance Plan.	Report on the participation of facilities in specialised maintenance contracts from dedicated funding (specific grant).	Not applicable.	Certain contracts.	2 contracts: one for Anaesthetic and one for X-Rays.	As funds become available.



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Objectives	Indicator	2005/06:Actual	2006/07:Actual	2007/08: Actual	2007/08: APP Target
<b>BUDGET SUBPROGRAMME: CORONER SERVICES</b>					
<b>GOAL 6: EFFICIENT MANAGEMENT OF GOVERNANCE</b>					
Implementation of provincial forensic regulations.	Alignment of provincial forensic policies with regulations.	Not applicable.	100% Alignment of provincial forensic policies with regulations.	Standard Operating Procedures have been aligned to regulations and are being implemented.	100% Alignment of provincial forensic policies with regulations.
Appropriate training of forensic pathology officers.	Number of staff enrolled with tertiary institution.	Not applicable.	0 staff enrolled with tertiary institution.	No members enrolled for tertiary technical training due to a lack of interest coupled with a lack of a course, specific to the practice of forensic officer's trade.	50 staff enrolled with tertiary institution.
	Number of in-house training workshops.	Not applicable.	4 in-house training workshops.	Small group training sessions on mortuary attendant techniques are continuing. These training sessions are more effective than large group workshops on technical training.	4 in-house training workshops.
Infrastructure development.	Planning of new infrastructure.	Not applicable.	100% infrastructure plans completed.	Plans of new infrastructure are on hold – no funding for new infrastructure available.	100% infrastructure plans completed.
	Construction of new facilities.	Not applicable.	2% Construction of new facilities.	Progress on the construction of the new mortuary in Bloemfontein, is at 75%.	50% Construction of new facilities.



Objectives	Indicator	2005/06:Actual	2006/07:Actual	2007/08: Actual	2007/08: APP Target
<b>BUDGET SUB PROGRAMME : HIV AND AIDS</b>					
<b>GOAL 2: REDUCE THE BURDEN OF DISEASE</b>					
Implement the TB Crisis Plan.	Smear Conversion rate in high priority district, increased by 10% above baseline, per annum.	67% Smear Conversion rate.	74% Smear Conversion rate.	Fezile Dabi: 69.6% at 3 months (Jan – Dec 2006)	81% Smear Conversion rate.
	TB Cure Rate in high priority district, increased by 10% above baseline, per annum.	58% TB Cure Rate.	64% TB Cure Rate.	Fezile Dabi: 64.2% (Jan – Dec 2006)	70% TB Cure Rate.
	% of TB Cases with DOT Supporters.	93% of TB Cases have DOT Supporters.	94% of TB Cases have DOT Supporters.	92.2% (Jan – Dec 2007) – Provincially.	96% of TB Cases have DOT Supporters.
	TB treatment interruption rate decreased by 2% by 2009.	5.9% TB treatment interruption rate.	5.7% TB treatment interruption rate.	5% (Jan – Dec 2006) – Provincially.	5.5% TB treatment interruption rate.
	% of districts with a TB sputa turnaround time of less than 48 hrs by 2007.	34.2% of districts with a TB sputa turnaround time of less than 48 hrs.	35% of districts have a TB sputa turnaround time of less than 48 hrs.	57.66% (Jan – Dec 2007) – Provincially.	36% of districts have a TB sputa turnaround time of less than 48 hrs.
	Prevalence and death rates associated with TB (This indicator is to monitor. Results are not dependant solely on the actions of this department, thus hard targets cannot be set).	TB incidence 660/100 000 people (2004 case finding).	TB incidence for the year.	TB incidence 809:100 000 (2007 case finding).	TB incidence.
		TB mortality rate 9.6%.	TB mortality 9.5%.	14.1% (Jan-Dec 06) TB mortality rate. (Provincially).	TB mortality 9.4%.



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ves	Indicator	2005/06: Actual	2006/07 Actual	2007/08: Actual	2007/08: APP Target
<b>ROGRAMME : HIV AND AIDS</b>					
<b>2: REDUCE THE BURDEN OF DISEASE</b>					
ate the entation prehensive ement and ent Plan and CCMT)	Number of sub-districts with at least two accredited service points for the Comprehensive Plan.	2 sub-districts with at least two accredited service points.	7 sub-districts with at least two accredited service points.	6 sub-districts (Letsemeng, Kopanong, Mangaung, Mophaka, Maluti A Phofung and Setsolo).	7 sub-districts with at least two accredited service points.
	% of public health facilities offering Voluntary Counselling and Testing.	97% public health facilities offering VCCT.	98% public health facilities offering VCCT.	95% of public health facilities offer VCCT.	100% public health facilities offering VCCT.
	% of PHC facilities that offer Prevention of Mother to Child Transmission (PMTCT).	97% of PHC facilities offer PMTC.	98% of PHC facilities offer PMTC.	92% of fixed PHC facilities offer PMTCT.	100% of PHC facilities offer PMTC.
	Male condom distribution rate (equal to the number of condoms issued per month per male 15 years & above).	9 condoms issued per month as identified.	10 condoms issued per month as identified.	6 condoms/male per month.	11 condoms issued per month as identified.
	Number of female condom distribution sites.	22 female condom distribution sites.	28 female condom distribution sites.	42 female condom distribution sites.	32 female condom distribution sites.
	Number of female condoms distributed.	10 549 female condoms distributed.	10 000 female condoms distributed.	163 668 female condoms distributed for 2007/2008.	12 000 female condoms distributed.



Objectives	Indicator	2005/06:Actual	2006/07:Actual	2007/08: Actual	2007/08: APP Target
<b>SUB PROGRAMME : HIV AND AIDS</b>					
<b>GOAL 2: REDUCE THE BURDEN OF DISEASE</b>					
Accelerate the implementation of the Comprehensive Care Management and Treatment Plan for HIV and AIDS. (CCMT) (continued)	Provincial incidence of Sexually Transmitted Infections (STI) treated (per 1000 population).	10.3 /1000 STI treated.	7/1000 STI treated.	3/1000 STIs treated for 2007/08.	6 /1000 STI treated.
	Provincial STI partner notification rate.	83% STI partner notification rate.	85% STI partner notification rate.	90.3% STI partner notification rate for 2007/08.	86% STI partner notification rate.
	Provincial STI partner tracing rate.	28% STI partner tracing rate.	26% STI partner tracing rate.	24.5% STI partner tracing rate for 2007/08.	27% STI partner tracing rate.
	Number of operational High Transmission Area (HTA) intervention sites.	10 HTA intervention sites.	10 HTA intervention sites.	15 HTA intervention sites for 2007/2008.	10 HTA intervention sites.
	Number of Khomanani Social Mobilisation Campaigns. (KSMC).	25 KSMC.	60 KSMC.	94 Khomanani Social Mobilisation campaigns for 2007/2008.	80 KSMC.
	% of health care workers trained on the Comprehensive Management of HIV & AIDS.	1251 health care workers trained.	2000 health care workers trained.	A total of 3050 Health Care Workers trained for 2007/2008.	2050 health care workers trained.
	Number of sub districts with Community Home Based Care programmes.	20 sub districts with Community Home Based Care programmes.	20 sub districts with Community Home Based Care programmes.	Home Based Care is available in 20 sub districts and was extended to 34 farms.	20 sub districts with Community Home Based Care programmes.
	Number of sub districts with a focused programme for People living with HIV and AIDS (PLWA).	15 sub districts have focused programme for PLWA.	20 sub districts have focused programme for PLWA.	18 Sub-districts have focussed programs for People living with HIV and AIDS (PLWA).	20 sub districts have focused programme for PLWA.



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**TABULAR REPORTING ON PERFORMANCE AGAINST PROVINCIAL ANNUAL PERFORMANCE PLAN FOR 2007/08**  
**Table 10: Performance against targets from 2007/08 APP for other strategic health programmes within the District Health Systems Programme**

Objectives	Indicator	2005/06:Actual	2006/07:Actual	2007/08: Actual	2007/08: APP Target
<b>GOAL 2: REDUCE THE BURDEN OF DISEASE</b>					
insure all eligible people receive food supplements.	Number of people who receive food supplements.	Adults 5630 Children 1258 Seed packets 3544 for both Children and Adults.	Thabo Mofutsanyana 900 Xhariep 1000 Fezile Dabi 800 Motheo 1700 Lejweleputswa 1400	During 2007/08, a total of 71544 people received food supplements. The breakdown per district, is as follows: Thabo Mofutsanyana: 13027 Xhariep: 8943 Fezile Dabi: 14625 Motheo: 17426 Lejweleputswa: 17523	Thabo Mofutsanyana 1800 Xhariep 2000 Fezile Dabi 1800 Motheo 3400 Lejweleputswa-2800
improve access to Anti-Retroviral therapy (ART) for pregnant women.	% facilities providing maternal services, which have staff trained in the Prevention of Mother to Child Transmission and Anti-Retroviral Therapy programme.	97% facilities have staff trained as specified.	100% facilities have staff trained as specified.	199/227 (87.6%) Primary Health Care facilities have staff trained on PMTCT.	Monitor.
improve access to Anti-Retroviral therapy (ART) for pregnant women.	Utilisation rate of ART for pregnant women.	1640 women using Anti-Retroviral Therapy without indication of pregnancy.	Cannot be predicted. Thus no target. Will be monitored.	CD4 count test is done at all fixed facilities that provide PMTCT services. However, not all mobile clinics provide the test at the point of HIV diagnosis. Out of 13 877 HIV positive women, 7582 done CD4 count tests. Data for CD4 Count tests was not collected in the first quarter of 2007/08 and Fezile Dabi only started reporting in the 3 <sup>rd</sup> quarter of 2007/08.	Cannot be predicted thus no target. Will be monitored.



Objectives	Indicator	2005/06:Actual	2006/07:Actual	2007/08: Actual	2007/08: APP Target
<b>BUDGET SUB PROGRAMME : NUTRITION</b>					
<b>GOAL 2: REDUCE THE BURDEN OF DISEASE</b>					
Improve access to ART for youth and adolescents.	% of Primary Health Care facilities with at least 1 health care provider trained in the CCMT Plan (from both treatment and assessment sites).	20% facilities have staff trained as specified.	30% facilities have staff trained as specified.	45% of facilities have staff trained as specified.	50% facilities have staff trained as specified.
	% of Primary Health Care facilities accredited as a Youth Friendly Service (YFS).	12% Primary Health Care facilities accredited.	20% Primary Health Care facilities accredited.	20% of PHC facilities accredited as youth friendly (19 clinics out of the targeted 108 clinics). Accreditation could not continue due to financial constraints.	30% Primary Health Care facilities accredited.
Improve immunisation coverage.	EPI coverage per district (expressed as a % of the target population).	89.82% EPI coverage per district.	92% EPI coverage per district.	<b>Fezile Dabi:</b> 91.1% <b>Lejweleputswa:</b> 92% <b>Motho:</b> 85.8% <b>Thabo Mofutsanyana:</b> 83.9% <b>Xhariep:</b> 85.3% <b>Provincial Coverage: 87.4%</b>	93% EPI coverage per district.
Ensure that children 0-60 months receive Vitamin A Supplementation.	% of children 0-60 months receiving Vitamin A supplementation.	101% Xhariep:85.81 Motho 118.98 Thabo M: 91.83 Lejweleputswa: 77.37 Fezile Dabi: 131.05	95% of children 0-60 months receive Vitamin A supplementation.	100.9% of children 0-60 months received Vitamin A Supplementation.	95% of children 0-60 months receive Vitamin A supplementation.



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Objectives	Indicator	2005/06:Actual	2006/07:Actual	2007/08: Actual	2007/08: APP Target
<b>MDGET SUB PROGRAMME : NUTRITION</b>					
<b>GOAL 2: REDUCE THE BURDEN OF DISEASE</b>					
Ensure that post-partum mothers receive Vitamin A supplementation.	% of post-partum mothers receiving Vitamin A supplementation.	101% of post-partum mothers receive Vitamin A supplementation.	96% of post-partum mothers receive Vitamin A supplementation.	105% of post partum mothers receive Vitamin A supplementation.	96% of post-partum mothers receive Vitamin A supplementation
	Number of facilities sustaining the IMCI programme.	306 out of 320 facilities sustaining the IMCI programme.	306 out of 320 facilities sustaining the IMCI programme.	318 out of 320 facilities sustaining the IMCI program (97%).	306 out of 320 facilities sustaining the IMCI programme.
	% of PHC services that have a 60% saturation of IMCI trained personnel.	96% of PHC services have a 60% saturation of IMCI trained personnel.	42 % of PHC services have a 60% saturation of IMCI trained personnel.	75% of PHC services have saturation of IMCI trained personnel.	45% of PHC services have a 60% saturation of IMCI trained personnel.
Reduce infant- and under 5 child morbidity and mortality	Number of health districts implementing the household and community component of IMCI.	Implementation by sub district 2 out of 20 sub districts.	Implementation by sub district 3 out of 20 sub districts.	All 5 districts and 15 sub-districts are implementing the household and Community IMCI Component.	Implementation by sub district 4 out of 20 sub districts.
	% health facilities with maternity beds assessed as Baby friendly (BFHI). (Re- assessments included.)	51% - 19 of 31 hospitals and 1 out of 8 CHC's assessed Baby friendly.	55% assessed Baby friendly as described.	60% (22 out of 31 facilities) assessed Baby friendly as described. Nine (9) facilities accredited as Baby friendly.	60% assessed Baby friendly as described.
	Under 5 mortality rate (annually).	83.0/1000	83.0/1000	89/1000	83.0/1000
	Infant mortality rate (annually).	66.0/1000	66.0/1000	113/1000	66.0/1000



Objectives	Indicator	2005/06:Actual	2006/07:Actual	2007/08: Actual	2007/08: APP Target
<b>BUDGET SUB PROGRAMME : NUTRITION</b>					
<b>GOAL 2: REDUCE THE BURDEN OF DISEASE</b>					
Improve access to ART for children less than 5 years of age.	% PHC facilities implementing IMCI with at least 1 IMCI practitioner updated or trained on CCMT Plan.	55% PHC facilities implementing IMCI with at least 1 IMCI practitioner updated or trained on CCMT Plan (191/353 PHC facilities).	60% PHC facilities implementing IMCI with at least 1 IMCI practitioner updated or trained on CCMT Plan.	57% PHC facilities (178 out of 311 facilities) has IMCI personnel trained in CCMT.	65% PHC facilities implementing IMCI with at least 1 IMCI practitioner updated or trained on CCMT Plan.
<b>BUDGET SUBPROGRAMME: OTHER COMMUNITY SERVICES</b>					
Provide preventive and promotive eye care services at all levels of care.	Cataract Surgery Rate per million of population.	1289 cataract operations per million of population.	1200 cataract operations per million of population.	3065 cataract operations done in 2007, cataract operations per million population for 2007 is 1415.	1400 cataract operations per million of population.
	Number of cataract operations per million of population per year.	1578 spectacles issued.	3000 spectacles issued.	A total of 4601 spectacles were provided for the 2007 calendar year.	4000 spectacles issued.
Reduce adolescent and youth morbidity and mortality.	% of PHC facilities accredited as youth friendly.	12% of PHC facilities accredited as youth friendly.	20% of PHC facilities accredited as youth friendly.	20% of PHC facilities accredited as youth friendly (19 clinics out of the targeted 108 clinics).	30% of PHC facilities accredited as youth friendly.



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Objectives	Indicator	2005/06:Actual	2006/07:Actual	2007/08: Actual	2007/08: APP Target
<b>BUDGET SUB PROGRAMME : NUTRITION</b>					
<b>GOAL 2: REDUCE THE BURDEN OF DISEASE</b>					
Improve women's health and reduce maternal- and neonatal mortality and morbidity.	Number of targeted women screened for cervical cancer.	2282 out of 481 800 (4,75%).	25 000 targeted women screened.	The total number of women screened for 2007/8 is 34 895. This has exceeded the target of 25 000 women by 9 895.	25 000 targeted women screened.
	Number of institutions implementing recommendations from Saving Mothers and Saving Babies reports. (Evidence of implementing recommendations is present; not the degree of compliance.)	275 facilities (30 hospitals, 10 CHC's 235 Primary Health Care).	275 facilities (30 hospitals, 10 CHC's 235 PHC).	275 facilities (30 hospitals, 10 Community Health Centres, 235 Primary Health Care clinics). The quality of implementation is being monitored.	275 facilities (30 hospitals, 10 CHC's 235 PHC).
	Number of facilities providing TOP services.	40- (9 out of 30 hospitals, 1 out of 10 clinics.	40 facilities provide TOP services.	14/40 facilities (9 public- and 5 private facilities) provide TOP services. 16 facilities designated and not functional due to lack of resources, ethical, cultural and religious belief.	40 facilities provide TOP services.
	Number of maternal health facilities with advanced midwives.	Not determined. 20 advanced midwives among 40 health facilities.	30 maternal health facilities with advanced midwives.	27/40 maternal health facilities with advanced midwives.	40 maternal health facilities with advanced midwives.
	Maternal mortality ratio.	262/100000.	250/100000.	The annual maternal mortality ratio for 2007 calendar year is 288/100 000 live births.	245/100000.
Reduce infant, child, youth and adult morbidity and mortality caused by genetic disorders /birth defects.	Number of facilities doing genetic screening (only secondary and tertiary hospitals currently doing genetic screening).	6 facilities doing genetic screening.	20 facilities doing genetic screening.	14/30 facilities are doing genetic screening.	30 facilities doing genetic screening.
	Number of districts implementing the new standardized birth defects data collection tool.	0 districts implementing the new standardized birth defects data collection tool.	5 districts implementing the new standardized birth defects data collection tool.	5 districts are implementing the new standardized birth defects data collection tool.	5 districts implementing the new standardized birth defects data collection tool.



**Table 11: District Health System**

Indicator	Type	04/05 actual	05/06 actual	06/07 actual	07/08 actual
<b>Input</b>					
Uninsured population served per fixed public PHC facility	No	10 440	17 574	14 512	10 725
Provincial PHC expenditure per uninsured person	R	417.54	170.17	67.70	290
LG PHC expenditure per uninsured person	R	939.79	10.73	No data	No data
PHC expenditure (provincial plus local government) per uninsured person	R	229.98	201.35	No data	290
Professional nurses in fixed public PHC facilities per 1,000 uninsured people	No	47.06	34	31.87	No data
Sub-districts offering full package of PHC services	%	76	100	92	100
EHS expenditure (provincial plus local government) per uninsured person	R	25.27	2.60	No data	No data
<b>Process</b>					
Health districts with appointed manager	%	100	98	100	100
Health districts with plan as per DHP guidelines	%	100	100	100	100
Fixed public PHC facilities with functioning community participation structure	%	85.5	No data	80.5	No data
<b>Output</b>					
PHC headcount	No	6 040 799	6 186 261	5 900 659	5 903 503
Utilisation rate – PHC	No	2.2	2.2	2.0	2.0
Utilisation rate - PHC under 5 years	No	3.7	3.5	3.5	3.6
<b>Quality</b>					
Supervision rate	%	No data	36.2	46.8	59
Fixed PHC Facilities supported by a doctor at least once a week	%	No data	60.6	70	56
<b>Efficiency</b>					
Provincial expenditure per visit (headcount) at provincial PHC facilities	R	117.51	79.80	89	119
Expenditure (provincial plus local government) per visit (headcount) at public PHC facilities	R	No data	84.19	No data	No data
<b>Service volumes</b>					
Clinic headcounts		No data	5 319 070	5 065 926	5 038 793
CHC headcounts		No data	526 456	549 941	59 174
Mobile headcounts		No data	367 968	293 940	281 226

Source: DHIS Database and Annual Performance Plan 2008/09

Table 12: District Hospitals

Indicator	Type	04/05 actual	05/06 actual	06/07 actual	07/08 actual
Expenditure on hospital staff as percentage of total hospital expenditure	%	61.9	71.3	68.4	73
Expenditure on drugs for hospital use as percentage of total hospital expenditure	%	19.5	6.21	No data	32
Hospital expenditure per uninsured person	R	R457.50	217.50	No data	239
<b>Process</b>					
District hospitals with operational hospital board	%	100	100	100	100
District hospitals with appointed (not acting) CEO in place	%	100	96	100	100
Quality data timeliness rate for district hospitals	%	100	100	100	100
<b>Input</b>					
Researcan section rate for district hospitals	%	19.5	10.7	11.7	11.8
<b>Quality</b>					
District hospitals with a published nationally mandated patient satisfaction survey in last 12 months	%	No data	No data	No data	12.5
District hospitals with clinical audit (M&M) meetings at least once a month	%	52	No data	No data	50
<b>Efficiency</b>					
Bed utilisation rate (based on useable beds) in district hospitals	%	69.5	71.1	68.2	68.7
Expenditure per patient day equivalent in district hospitals	R	747.03	970.96	939	1 119
Average length of stay in district hospitals	Days	4.3	3.2	3.1	3.1
<b>Outcome</b>					
Case fatality rate for surgery separations in district hospitals	%	2.98	2.0	2.2	3.5
<b>Service volumes</b>					
Operations		No data	122 652	121 868	122 274
D headcounts		No data	245 589	282 291	280 898
Emergency cases		No data	8818	12 852	14 463
Maternity headcount		No data	143 208	150 859	151 245
Emergency cases		No data	1 825.2	43 000.7	521 256

Source: DHIS Database and Annual Performance Plan 2008/09





**Table 13: HIV/AIDS/STIs and TB**

Indicator	Type	04/05 actual	05/06 actual	06/07 actual	07/08 actual
<b>Input</b>					
ARV treatment service points compared to plan.	%	13 sites	38 sites	73 sites	26 %
Fixed PHC facilities offering PMTCT.	%	66	97	87.3	92
Fixed PHC facilities offering VCT.	%	95	97	86.4	95
Hospitals offering PEP for occupational HIV exposure	%	100	100	100	100
Hospitals offering PEP for sexual abuse.	%	1 District Hospital & 2 VSCs	25 hospitals 3 VSCs	87	100
HTA Intervention sites compared to plan	%	3	10	10	15
<b>Process</b>					
TB cases with a DOT supporter	%	96	89	92	92.2
Male condom distribution rate from public sector health facilities	Per k male ≥ 15 years	8	9	6.8	6.0
Male condom distribution rate from primary distribution sites.	Per k male ≥ 15 years	18	22	24	11
Fixed facilities with any ARV drug stock out.	%	0	0	4.8	3
Hospitals drawing blood for CD4 testing	%	5 sites	10 sites	17 sites	87
Fixed PHC facilities drawing blood for CD4 testing	%	15 sites	30 sites	45 sites	95
Fixed facilities referring patients to ARV treatment points assessment	%	15 sites	30 sites	45 sites	95
<b>Output</b>					
STI partner treatment rate.	%	20	25	20.2	22
Nevirapine uptake rate among babies born to women with HIV	%	94	102	62.7	102
Clients HIV pre-test counseled rate in fixed PHC facilities	%	25 352 clients	100	100	100
Patients registered for ART	No	3500	11000	36 481	22 389
TB treatment interruption rate.	%	6.8	5.9	7.6	5 (2006)
<b>Quality</b>					
TB sputa specimens with turnaround time > 48 hours	%	54	64	51.3	55.6
<b>Efficiency</b>					
Dedicated HIV/AIDS budget spent	%	100	99	97	100
<b>Outcome</b>					
New smear positive PTB cases cured at first attempt	%	73.2	65.5	57.1	68 (2006)
New MDR TB cases reported - annual % change	%	No data	No data	No data	1.8 (2006)
STI Case new episode		No data	No data	74 763	63 372
STI treated new episode among ART patients – annual % change		No data	No data	No data	1 539

Source: DHIS Database and Annual Performance Plan 2008/09



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Table 14: Maternal Child and Women's Health including nutrition

Indicator	Type	04/05 actual	05/06 actual	06/07 actual	07/08 actual
hospitals offering TOP services.	%	30	33	40	45.2
Cs offering TOP services.	Number	1	1	1	1
Access					
ed PHC facilities with DTP-Hib vaccine stock out.	%	22.6	22	20	33
P detection rate.	%	4.25	2.4	2.87	2.2
P stool adequacy rate.	%	100	100	80	85
Input					
ools at which phase 1 health services are being rendered.	%	23 schools	47 schools	12.4%	26.7%
II) Immunisation coverage under 1 year.	%	88.5	89.82	77.8	87.4
enatal coverage.	%	94.3	93	88.9	97
min A coverage under 1 year.	%	93.1	101	80	103.2
asles coverage under 1 year.	%	89.9	92.22	89.1	88.1
ical cancer screening coverage.	%	0.25	5	3.65	3.1
ality					
ilities certified as baby friendly.	%	33	49	22	22
ed PHC Facilities certified as youth friendly.	%	13 clinics	13 clinics	13 clinics	13 clinic
ed PHC facilities implementing IMCI.	%	100	96.4	97	100
Outcome					
itutional delivery rate for women under 18 yrs	%	3.8	3.7	8.6	2.6
gaining weight under 5 years	%	3.5	3.18	4.00	3

Source: DHIS Database and Annual Performance Plan 2008/09



Indicator	Type	04/05 actual	05/06 actual	06/07 actual	07/08 actual
<b>Input</b>					
Trauma centres for victims of violence (sexual assault, family violence).	No	4	5	7	3
<b>Process</b>					
CHCs with fast queues for elder persons.	%	30	60	100	100
<b>Output</b>					
Health Districts with health care waste management plan implemented.	No	5	5	5	5
Hospitals providing occupational health programmes.	%	100	94	100	100
Schools implementing Health Promoting Schools Programme (HPSP).	%	48	47	88	98
Integrated epidemic preparedness and response plans implemented.	Y/N	Yes	Yes	Yes	Yes
Integrated communicable disease control plans implemented.	Y/N	Yes	Yes	Yes	Yes
<b>Quality</b>					
Schools complying with quality index requirements for Health Promoting Schools Programme.	Number	23	23	58	33
Outbreak response time.	Days	24hours	24hours	1 day	1 day
<b>Efficiency</b>					
Waiting time for cataract surgery.	Months	3 months	3 months	7	6
Waiting time for a wheelchair.	Weeks		2 weeks	2 weeks	6
Waiting time for a hearing aid.	Weeks		6 weeks	4 weeks	8
<b>Outcome</b>					
Dental extraction to restoration rate.	%	4.9	7.2	1:7	5
Malaria fatality rate.	%	0	0	0	0
Cholera fatality rate.	%	0	0	0	0
Cataract surgery rate.	No per million	1489	1289	2309	*1415

Source: DHIS Database and Annual Performance Plan 2008/09

\*It should be noted that cataract surgery rate is calculated annually per calendar year, and not per financial year.



## FREE STATE PROVINCE Department of Health

### Evolution of expenditure of the DHS programme by sub-programme (R'000)

Programme	Year 5 2002/03	Year 4 2003/04	Year 3 2004/05	Year 2 2005/06	Year 1 2006/07	Year 0 2007/2008	Average annual growth (nominal)
Project Management	23,372	26,783	31,758	86,459	78,147	50,089	(35.76)
CS	-	126,700	165,721	188,991	191,641	237,252	23.80
Community Health Centres	-	40,921	30,160	35,017	48,555	61,355	26.32
District Hospitals	342,926	396,911	515,669	482,414	528,573	583,175	10.33
Community Based Services	411,801	247,048	200,643	222,978	248,227	240,580	(3.08)
Primary Community Services	-	3,393	541	-	-	-	-
Other services	-	-	190	316	35,592	54,486	54.39
AIDS	-	34,223	75,911	108,969	151,690	170,032	12.09
Maternal and Child Health	-	46,754	14,402	12,429	8,541	11,401	33.49
<b>Total</b>	<b>778,099</b>	<b>921,733</b>	<b>1,034,995</b>	<b>1,137,573</b>	<b>1,290,966</b>	<b>1,408,370</b>	<b>9.11</b>

Source: BAS System



## PROGRAMME 3: EMERGENCY MEDICAL SERVICES

### AIM

The aim of programme 3 is to provide Emergency Medical Services and patient transport services in the Free State.

### PROGRAMME DESCRIPTION

This programme has the following sub programmes:

- Emergency transport
- Planned Patient Transport

### The services rendered include:

- Pre-hospital Emergency Care
  - Emergency Rapid Response Services
  - Rescue Services
  - Ambulance Services
- Inter-facility medical care
- Patient transport services
- Disaster Risk Management

## ANALYTIC REVIEW OF PROGRAMME PERFORMANCE

The Free State Province consists of five districts, i.e. Motheo, Xhariep, Fezile Dabi, Thabo Mofutsanyana and Lejweleputswa. The total number of ambulance stations is fifty nine (59).

Each district is currently headed by a Chief Divisional Officer (CDO). With the approval of the Macro Structure, EMS will be headed by a Senior Manager, four (4) Managers, and Assistant Managers in the districts. The new staff establishment in the districts was reviewed and awaits approval.

## POLICIES, PRIORITIES AND STRATEGIC GOALS

- Establishment of a Provincial Communications Centre in Pelonomi Regional Hospital.
- Establishment of a Provincial Disaster Management Unit for Health.
- Establishment of an Emergency Care College in the Free State.
- Procurement of additional vehicles.
- Recruitment and selection of additional staff.
- Improvement of response times to all calls.
- Purchasing of capital equipment.
- Improving communications network.
- Strengthening of Middle Management of EMS.



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II Services in line with national requirements of a response time to emergencies <15 min in urban areas and <45min in rural areas.

- Availability of a time tracking device for all vehicles, which will assist in improving response times.

### CHALLENGES AND CONSTRAINTS

- Additional funding is required to address the abovementioned priorities.
- Additional funding is required to purchase additional vehicles. At the moment, there are no replacement vehicles should an ambulance be in for repairs/service.
- Budget to be increased annually in line with MTEF.



TABULAR REPORTING ON PERFORMANCE AGAINST PROVINCIAL ANNUAL PERFORMANCE PLAN FOR 2007/08

Table 16: Performance against targets from 2007/08 Annual Performance Plan for the EMS programme

Objectives	Indicator	2005/06:Actual	2006/07:Actual	2007/08: Actual	2007/08: APP Target
<b>BUDGET SUBPROGRAMME: EMERGENCY TRANSPORT</b>					
<b>GOAL 1: COMPASSIONATE AND QUALITY SERVICES</b>					
Ensure effective EMS response to disasters in the Free State.	Report on readiness to respond to disasters in line with the Free State Disaster Plan.	All disasters attended to	EMS readiness to respond to disasters, is being maintained	EMS readiness to respond to disasters is being maintained.	EMS readiness to respond to disasters is being maintained.
Provide an efficient pre-hospital and inter-hospital patient transport service	Number of ambulances per 1000 people.	0.06	0.06	0.08	0.08
	% of staff complement Basic Life Support (BLS), Intermediate Life Support (ILS) and Advanced Life Support (ALS)	BLS 84%	BLS 80%	BLS 85%	BLS 74%
		ILS 14%	ILS 17%	ILS 13%	ILS 21%
		ALS 2%	ALS 3%	ALS 2%	ALS 5%
	% of call responses within national urban and rural target (15 minutes and 40 minutes).	Urban 39.9%	Urban 39.9%	Urban 40% responses within national urban and rural target.	Urban 53%
		Rural 17.7%	Rural 17.7%	Rural 18% responses within national urban and rural target.	Rural 27%
	% call-outs serviced by single person crew.	0.08%	0.08%	0% call-outs serviced by single person crew.	0
	% of ambulance journeys used for hospital transfers.	10.3%	10.7%	11% of ambulance journeys used for hospital transfers.	12%
	% green code patients transported by ambulance.	68.7%	70%	71% green code patients transported by ambulance.	65%
	% ambulances with less than 500,000 kilometres on the clock.	43%	38%	35% ambulances with less than 500,000 kilometres on the clock.	25%



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Indicators	Indicator	2005/06:Actual	2006/07:Actual	2007/08: Actual	2007/08: APP Target
<b>OBJECT SUBPROGRAMME: EMERGENCY TRANSPORT</b>					
<b>AL 1: COMPASSIONATE AND QUALITY SERVICES</b>					
Implementation of provincial quality improvement strategy.	% compliance with QA indicators.	0%	0%	0% compliance. A Baseline Survey was conducted at two (2) EMS stations - working towards accreditation.	0.7%
	% compliance with Free State Department of Health clinical governance plan.	0%	0%	0% compliance with clinical governance plan.	10%
	% compliance with Free State Department of Health, health and safety auditing tool.	0%	0%	2% compliance with health and safety auditing tool.	10%
	% compliance with Free State Department of Health clinical risk management plan.	0%	0%	10% compliance with clinical risk management plan.	10%
	% compliance with FSDOH infection control plan.	0%	0%	10% compliance. Two EMS personnel members have been trained as infection control co-ordinators.	33%
	% compliance with provincial emergency hospital preparedness plan.	20%	33%	40% compliance with provincial emergency hospital preparedness plan.	50%
	COHSASA accreditation.		Emergency Medical Services pilot for accreditation.	One station was withdrawn from the evaluation due to poor structure of the station. The other station is 40% compliant to COHSASA standards.	Rest of Emergency Medical Services working towards accreditation.



Objectives	Indicator	2005/06:Actual	2006/07:Actual	2007/08: Actual	2007/08: APP Target
<b>BUDGET SUBPROGRAMME: PLANNED PATIENT TRANSPORT</b>					
<b>GOAL 1: COMPASSIONATE AND QUALITY SERVICES</b>					
Provide an effective and efficient Planned Patient Transport Service in line with the referral system.	% of hospitals covered by planned patient transport.	100%	100%	100% of hospitals covered by planned patient transport.	100%
	Number of patients transported by planned patient transport per 1000 separations.	488	520	559 patients transported by planned patient transport per 1000 separations.	567
	% of patients arriving at next referral levels on time.	13%	17%	21% of patients are arriving at next referrals on time.	33%



**Table 17: Emergency medical services and planned patient transport**

		04/05 actual	05/06 actual	06/07 actual	07/08 actual
Input					
Rostered Ambulances per 1000 people	No	3.0	0.001	0.2	0.07
Hospitals with patient transporters	%	Emergency Medical Services provides service to 100% of clinic patients. Inter-hospital ambulances not yet in place			
Process					
Kilometres travelled per ambulance (per annum)	Kms	> 80 000	181 400	11 837 879	173 215
Locally based staff with training in BLS	%	65	84.2	87	89
Locally based staff with training in ILS	%	11.16	13.6	11.3	9
Locally based staff with training in ALS	%	2	2	1.7	2
Quality					
Response times within national urban target (15 mins)	%	41.6	4.8	36.3	43
Response times within national rural target (40 mins)	%	28	5	16.7	23
Call outs serviced by a single person crew	%	No data	8	9.8	0
Efficiency					
Ambulance journeys used for hospital transfers	%	10	26	9.8	29
Green code patients transported as % of total	%	36	70	73	71
Cost per patient transported	R	487.16	800	69.49	149.76
Ambulances with less than 500,000 kms on the clock	%	53	20	42.8	52
Output					
Patients transported per 1000 separations	No	No data	233	192	276
Volume indicator					
Number of emergency call-outs		No data	131 217	217 641	276 385
Patients transported (routine patient transport)		No data	118 686	925 199	986 172

Source : EMS Database and Call Centre



### PROGRAMME 3: EMERGENCY MEDICAL HEALTH SERVICES: FINANCE DATA

Use of appropriated funds allocated to sub-programmes of the EMS Programme during 2007/08 and actual expenditure (R' 000)

Programme (EMS)	Voted for 2007/08	Roll-overs and adjustment	Virement	Total voted for programme	Actual Expenditure	% (over)/under spending
Emergency Transport	188,033	-	-	188,033	189,904	(1,871)
Planned Patient Transport	3,552	-	-	3,552	1,681	1,871
<b>Total</b>	<b>191,585</b>	<b>-</b>	<b>-</b>	<b>191,585</b>	<b>191,585</b>	<b>-</b>

Source: BAS System

### Evolution of expenditure of the EMS programme by sub-programme (R'000)

Programme	Year 4 2003/04	Year 3 2004/05	Year 2 2005/06	Year 1 2006/07	Year 0 2007/08	Average annual growth (nominal)
Emergency Transport	111,910	110,099	133,346	152,861	189,904	24.23%
Planned Patient Transport	4,592	13,549	12,993	11,843	1,681	(81.81%)
<b>Total</b>	<b>116,502</b>	<b>123,648</b>	<b>146,339</b>	<b>164,704</b>	<b>191,585</b>	<b>16.32%</b>

Source: BAS System

### Past expenditure trends in EMS and reconciliation of MTEF Projections with the Strategic Plan

Expenditure	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Total	89,143	90,941	118,966	123,648	146,339	164,704	191,587
Total per person	31.20	31.83	41.64	43.27	51.22	57.63	67.03
Total per uninsured person	36.62	37.36	48.87	50.80	60.12	67.64	78.64
<b>Total capital</b>	<b>7,468</b>	<b>7,060</b>	<b>5,367</b>	<b>8,294</b>	<b>13,728</b>	<b>19,243</b>	<b>28,764</b>

Source: BAS System



## ALS

### AIM

This programme renders general specialised health services at regional (provincial) hospitals.

Psychiatric services are rendered at Free State Psychiatric Complex (FSPC) and also at designated hospitals

### Programme 4 has the following sub- programmes

- General (regional) hospitals
- Psychiatric hospitals

### ANALYTIC REVIEW OF PROGRAMME PERFORMANCE

- Provincial hospital services are rendered through five general hospitals and one specialised psychiatric hospital.
- Pelonomi Regional Hospital serves the Motheo and Xhariep districts, with a population of 842 015. Pelonomi is also classified as a tertiary hospital since a significant portion of the services rendered there are tertiary services.
- Patients are referred from 24 district hospitals in the province. Some tertiary health services, e.g. oncology, haematology and dermatology, are rendered at secondary hospitals through outreach from the tertiary hospitals.
- An estimated 270 000 of the Eastern Cape population, bordering the province in the south, comes to Pelonomi hospital for Regional hospital services.
- Bongani Regional Hospital serves the Lejweleputswa district, with a population of 717 214.
- Boitumelo Regional Hospital serves the Fezile Dabi district, with a population of 502 521.
- Dihlabeng Regional Hospital serves the western part of Thabo Mofutsanyana District, with a population of 323 380.
- Mofumahadi Manapo Mopeli Regional Hospital serves the eastern part of Thabo Mofutsanyana District, with a population of 437 458.
- Like all health services the level 2 hospitals experience an increased patient load due to the burden of diseases such as conditions associated with HIV and AIDS.
- The increase in patient load is exacerbated by the reduced capacity of the district hospitals which frequently have inadequate number of medical doctors required to render the designated package of services
- All of the 5 regional hospitals and one psychiatric complex have undergone the COHSASA accreditation programme. Four hospitals had previously attained full two-year accreditation and one intermediate accreditation. Four of the hospitals have undergone external reassessment and another is due for external reassessment by May 2008. Boitumelo Provincial Hospital was withdrawn from the programme due to the impact of current revitalisation projects at the hospital.
- Free State Psychiatric Complex is a specialised hospital, which serves as a referral mental health care facility for the province.
- The Mental Health Care Act has been implemented effectively in the province, with functional Mental Health Care Review Boards in Motheo and Thabo Mofutsanyana. Fezile Dabi is partially functional due to involuntary patients having to be admitted in



other regions. The designation of the mental health care facility in Fezile Dabi will be reviewed with the completion of the Psychiatric Unit at Boitumelo Regional Hospital.

## **POLICIES, PRIORITIES AND STRATEGIC GOALS**

### **Rehabilitation, rationalisation and development of the hospital facility network in relation to the data presented in the situation analysis, the provincial IHPF and the hospital revitalisation strategy**

- The revitalisation projects are continuing at Boitumelo Regional Hospital. The business cases for revitalisation have been approved for both Dihlabeng and Free State Psychiatric Complex.
- Restructuring of the department has been implemented with the new macro structure.

### **Delegations of financial, procurement and personnel functions: the provincial framework, capacity development and monitoring systems**

- Some financial, supply chain management and human resource management functions are delegated to hospital chief executives according to the provincial framework.
- Skills Development Plans have been developed and implemented per hospital in accordance with the institutional skills audits and individual performance improvement plans.
- Two of the five CEOs are currently enrolled for the Masters in Public Health (Hospital Management) degree and two others are studying for other Masters programmes.

### **Quality improvement measures including actions plans, client satisfaction surveys, monitoring systems and adverse reporting systems**

- Each provincial hospital monitors patient satisfaction through the administration of patient questionnaires based on the COHSASA accreditation programme. An average patient satisfaction rate of 83.2% was achieved in 2007/2008. A comprehensive client satisfaction survey is carried out annually through private suppliers.
- In accordance with the provincial Clinical Governance policy, adverse events are monitored and handled through institution based, regional, and a provincial committee.

### **Increased efficiency (e.g. higher bed occupancy, reduced lengths of stay)**

- Cost per PDE has increased from R1200 in 2006/07 to R1574 in 2007/2008 due to the increasing burden of disease, health inflation and the increase in the number of specialists.
- The average length of stay has dropped from 5.34 days in 2005/06 to 4.7 days in 2007/08. This can be attributed to an improved referral system to District Hospitals.



### g gap identification

#### and reduction and reconfiguration of tertiary services

- Secondary Hospital Service packages are not fully implemented in the four provincial general hospitals due to lack of a full complement of resident specialists. Bongani has eight (8), Dihlabeng seven (7), Mofumahadi Manapo Mopeli four (4) and Boitumelo five (5) of the required nine (9) resident specialists. Pelonomi implements the full regional hospital package.
- The hospitals are served by fulltime appointed specialists, as well as private specialists who are appointed on a sessional basis.
- The Free State Psychiatric Complex has all the required specialists and other healthcare professionals for the multidisciplinary psychiatric team.
- The Mental Health Care Review Board is fully operational at the Free State Psychiatric Complex, but not yet fully operational in Lejweleputswa and Fezile Dabi districts, due to the major Hospital Revitalization Programme of the hospital which includes the 60 bed Psychiatric Unit at Boitumelo Hospital.

#### Governance including appointment of CEOs or equivalent institutional managers, appointment of financial officers, performance agreements, and introduction and roles of hospital boards

- All five provincial hospitals have chief executive officers appointed. Each of the CEOs has signed performance agreements in line with the Senior Management Service handbook.
- Managers for the nursing, clinical, administration and finance divisions at each hospital support the CEOs.
- Four of the five secondary hospitals have managerial accountants appointed to strengthen financial management
- The hospital complexes of Dihlabeng/Mofumahadi, Manapo Mopeli and Bongani/Boitumelo hospitals have one hospital board each. There is a separate hospital board for the Free State Psychiatric complex.

#### Management system development including cost centre accounting and information systems

- Cost centre management structures have been implemented at each provincial hospital to improve decentralised decision making and accountability.
- An electronic hospital information system namely Meditech, has been implemented at Bongani and Boitumelo hospitals, with the other three hospitals utilising the in-house Patient Administration and Debtors System (PADS).
- Part of the Tertiary Services Grant has been allocated to the provincial hospitals and is being used to fund the salaries of specialists and to procure medication and consumables for tertiary services rendered at regional hospitals.

### CHALLENGES AND CONSTRAINTS

#### Finance and financial management

- The appointment of health care professionals and the procurement of essential equipment could not be finalised because funding was inadequate.



### **Human resources**

- The province will actively recruit professional nurses and implement the Occupation Specific Dispensation (OSD) for Nurses which appears to be on the right track
- Hospitals frequently utilise professional nurses sourced from nursing agencies. This has a negative impact on the quality and sustainability of services.
- The more rural provincial hospitals are unable to recruit and retain specialists in certain clinical disciplines. The full package of services can thus not be delivered.
- Due to inadequate availability of medical doctors in some district hospitals, some level 1 patients are referred and treated inappropriately at level 2 hospitals. The situation could further deteriorate during the 2008/09 financial year, as severely limited numbers of community service doctors are expected.

### **Support systems**

- The unavailability of level 1 hospitals in the Kroonstad and Welkom areas, results in level 1 patients being treated at Boitumelo and Bongani regional hospitals respectively.
- The shortage of ambulances and personnel in the EMS results in inconsistencies in the referral system.

### **Information**

- There are no Hospital Information Officer posts on the current staff establishments. Consequently, their functions are performed by persons employed for other functions. This has a negative impact on the ability to manage information.
- Dihlabeng, Mofumahadi Manapo Mopeli and Free State Psychiatric Complex are not on the Meditech system like Bongani and Boitumelo which makes it impossible to share information between hospitals.



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### TABULAR REPORTING ON PERFORMANCE AGAINST PROVINCIAL ANNUAL PERFORMANCE PLAN FOR 2007/08

**Table 18: Performance against targets from 2007/08 Annual Performance Plan for the Provincial Hospital Services Programme**

Objectives	Indicator	2005/06: Actual	2006/07: Actual	2007/08: Actual	2007/08: APP Target
<b>BUDGET SUBPROGRAMME: GENERAL (REGIONAL) HOSPITALS</b>					
<b>GOAL 1: COMPASSIONATE AND QUALITY SERVICES</b>					
Provide appropriate and accessible level of health care services for the designated catchment population.	Number of institutions implementing the appropriate service packages per level of care.	1 institution implementing appropriate service package.	1 institution implementing appropriate service package.	<p><b>Pelononi</b> Implementing the appropriate service package (Implementing 9 out of 9 required specialities)</p> <p><b>Dihlabeng</b> Implementing 7 of the required 9 specialities (Anaesthesia, Internal Med, O&amp;G, Surgery, Ortho, Paeds, Radiology)</p> <p><b>Boitumelo</b> 8/9 (Paeds, Psychiatry, Surgery, O&amp;G, Orthopaedics, Fam Med, Anaesthesia, Psychiatry)</p> <p><b>Bongani</b> 8/9 (Paeds, Internal Med, O&amp;G, Fam Med, Surgery, Orthopaedics, Anaesthesia)</p> <p><b>Mofumahadi Manapo Mopeli</b> (MMM) 6/9 (Psychiatry, Anaesthesia, Paeds, Surgery, O&amp;G, Internal Med)</p> <p><b>FSPC</b> 1/1 (Psychiatry).</p>	2 institution implementing appropriate service package
		ALOS: 5.34	ALOS: 5	<p><b>Pelononi</b>: 4.6</p> <p><b>Bongani</b>: 5.7</p> <p><b>Boitumelo</b>: 4.4</p> <p><b>Dihlabeng</b>: 3.8</p> <p><b>MMM</b>: 4</p> <p><b>Province</b>: 4.7</p> <p><b>FSPC</b>: 51.9</p>	ALOS: 5
	% achievement of efficiency targets.	BUR: 71.65%	BUR: 73%	<p><b>Pelononi</b>: 74.2</p> <p><b>Bongani</b>: 77.5</p> <p><b>Boitumelo</b>: 69.1</p> <p><b>Dihlabeng</b>: 67.2</p> <p><b>MMM</b>: 56.9</p> <p><b>Province</b>: 79</p> <p><b>FSPC</b>: 86.9</p>	BUR: 75%



Objectives	Indicator	2005/06:Actual	2006/07:Actual	2007/08: Actual	2007/08: APP Target
<b>BUDGET SUBPROGRAMME: GENERAL (REGIONAL) HOSPITALS</b>					
<b>GOAL 1: COMPASSIONATE AND QUALITY SERVICES</b>					
Provide appropriate and accessible level of health care services for the designated catchment population (continue)		Cost/PDE: R1002	Cost/PDE: R1200	<b>Pelonomi:</b> R 1,614.00 <b>Bongani:</b> R 1,180.10 <b>Boitumelo:</b> R 1,233.00 <b>Dihlabeng:</b> R 2,045.50 <b>MMM:</b> R 1,798.00 <b>FSPC:</b> R 541.35 <b>Province: R 1,574.12</b>	Cost/PDE: R1250
	Number of institutions with an outreach programme(s) as a % of the total by level of care.	3 institutions (2 disciplines)	4 institutions (2 disciplines)	6 institutions with disciplines indicated against designated package for level 2 hospitals <b>Pelonomi</b> 5/9 (Orthopedics, Paediatrics, Mental, Medicine & Surgery), <b>Bongani</b> 4 (O&G, Paeds, Orthopaedics, Surgery), <b>Boitumelo</b> 2 (Psychiatric, Fam Med & Optometry) <b>Dihlabeng</b> 2 (Surgery & Paediatrics), <b>MMM</b> 2 (Psychiatric, Optometry, OT), <b>FSPC</b> 3 (Psychiatric, Psychology, Child & Adolescent).	4 institutions (3 disciplines)
	Number and type of disciplines covered per regional hospital from the tertiary services complex.	2 (Haematology, Oncology)	2 (Haematology, Oncology)	<b>Pelonomi</b> 2 (Urology & Gastro-entriology) <b>Bongani</b> 4 (Haemo, Uro, Endocrin, Ophthalmology, Ortho, Paeds, Onco, Child Psych) <b>Dihlabeng</b> 4 (Haematology, Paediatric Ortho, Oncology, Genetics) <b>Boitumelo</b> 4 (Oncology, Optometry, Paediatric Ortho, Child Psychiatry) <b>MMM</b> 4 (Teen psychology, Human Genetics, Dermatology, Leprosy)	2 (Haematology, Oncology)
	% appropriate referrals at all levels.	Not applicable.	40% appropriate referrals	<b>Pelonomi</b> <b>Bongani:</b> 45.8% <b>Boitumelo:</b> 43% <b>Dihlabeng:</b> 48.6% <b>FSPC:</b> 100% <b>MMM:</b> 40%	50% appropriate referrals
	Institutions effectively serviced through telemedicine hub and spoke service.	2 Institutions have the defined service.	2 Institutions have the defined service	1 CT Scanner at <b>MMM</b> linked through Teleradiology.	3 Institutions have the defined service



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Objectives	Indicator	2005/06:Actual	2006/07:Actual	2007/08: Actual	2007/08: APP Target
<b>DGET SUBPROGRAMME: GENERAL (REGIONAL) HOSPITALS</b>					
<b>QUAL 1: COMPASSIONATE AND QUALITY SERVICES</b>					
Enhance the level of the Patient Charter and competencies within department.	% implementation of approved service standards.	Not applicable.	50% approved service standards	70% as per COHSASA standards.	60% approved service standards
	% compliance with standards.	Not applicable.	65% compliance with standards	82% as per COHSASA standards	70% compliance with standards
	% patient satisfaction rate according to national survey instrument.	Not applicable.	60% patient satisfaction	<b>Bongani 95%</b> <b>Boitumelo 67%</b> <b>Dihlabeng 84%</b> <b>MMM 88%</b> <b>FSPC 82%</b> <b>Pelonomi: Survey not done yet.</b>	60% patient satisfaction
Implementation of provincial health promotion strategy.	Number of health promotion structures functioning at the appropriate level.	Not applicable.	5 health promotion structures	1 structure at FSPC.	5 health promotion structures
Enhance promotion of healthy lifestyles and change from risky behaviour, especially among the youth.	Number of hospitals implementing the 5 priority health promotion campaigns (nutrition, substance abuse, tobacco, use of healthy environments).	Not applicable.	5 hospitals implementing	<b>Bongani: Nil</b> <b>Boitumelo: Nutrition</b> <b>FSPC: All 5 priorities</b> <b>Dihlabeng: Nutrition</b> <b>MMM: Nutrition, Substance Abuse</b>	5 hospitals implementing



Objectives	Indicator	2005/06: Actual	2006/07: Actual	2007/08: Actual	2007/08: APP Target
<b>BUDGET SUBPROGRAMME: GENERAL (REGIONAL) HOSPITALS</b>					
<b>GOAL 3: OPTIMAL FACILITIES AND EQUIPMENT</b>					
Hospital facilities essential maintenance programme	% budget allocated and spent for facilities maintenance	Not applicable.	Not applicable.	<b>Pelononi:</b> 4.3% <b>Bongani:</b> 1.8% <b>Boitumelo:</b> 4.33% <b>Dihlabeng:</b> 4.04% <b>MMM:</b> 1.26% <b>FSPC:</b> 1.26%	2% budget allocated and spent.
	% compliance with the Free State Department of Health specialized maintenance programme.	Not applicable.	Not applicable.	Nil for four (4) regional hospitals and 93% for the FSPC.	% compliance.
	% implementation of the Expanded Public Works Maintenance Programme.	Not applicable.	Not applicable.	Not implemented.	% implementation.
	Number of facilities with essential equipment packages.	Not applicable.	Review equipment package per hospital	Equipment budget allocated according to acquisition plans.	Equipment budget ring fenced.
Provision of essential equipment to provincial health facilities	Number of facilities with equipment surveys done.	2 facilities surveyed	3 facilities surveyed	The following 3 facilities were surveyed: Boitumelo, Dihlabeng & FSPC.	5 facilities surveyed.
	% implementation of the equipment plan per facility.	Not applicable.	Not applicable.	Boitumelo: 25% FSPC: 50%	45% equipment plan.
Implementation of the provincial equipment maintenance plan	Number of facilities with appropriate clinical engineering support at facility level	1 facility has clinical engineering support.	2 facilities have clinical engineering support.	Clinical engineering support is available at Bongani and Dihlabeng Hospitals. Boitumelo, FSPC and MMM – None.	3 facilities have clinical engineering support.



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Objectives	Indicator	2005/06:Actual	2006/07:Actual	2007/08: Actual	2007/08: APP Target
<b>BUDGET SUBPROGRAMME: GENERAL (REGIONAL) HOSPITALS</b>					
<b>GOAL 5: STRATEGIC AND INNOVATIVE PARTNERSHIPS</b>					
Ensure sustainability of strategic partnerships.	% achievement of PPP agreement targets	Not applicable.	Not applicable.	70% of agreed targets achieved at Pelonomi Hospital.	80% of agreed targets achieved.
	Number of Service Level Agreements (SLA) and contracts signed with medical funds for Designated Service Provider Network (DSPN).	Not applicable.	10 SLA signed	16 Service Level Agreements have been signed with the following Medical Aids: Prime Care (12 Schemes), Transmed, Sovereign, GEMS and Discovery.	15 SLA signed.
	Number of hospitals that are part of the Designated Service Provider Network.	Not applicable.	3 hospitals part of DSPN.	3/5 hospitals part of Designated Service Provider Network (Pelonomi, Dhlabeng & Bongani).	4 hospitals part of DSPN.
	% Implementation of Service Transformation Plan (STP)	Not applicable.	Draft plan aligned with business cases.	The draft plan is being finalised. Draft implementation plan for Service Transformation Plans developed per district.	Finalise plan and develop monitoring system.



## REPORTING ON STANDARD NATIONAL INDICATORS

**Table 19: Reporting against standard national indicators**

	Type	03/04 actual	04/05 actual	05/06 actual	06/07 actual	07/08 actual
Input						
Expenditure on hospital staff as % of regional hospital expenditure.	%	63.7	56	54.7	No data	78
Expenditure on drugs for hospital use as % of regional hospital expenditure.	%	12.69	12.98	6.5	No data	12
Expenditure by regional hospitals per uninsured person.	R	171.80	332.25	224.20	No data	364
Useable beds			1902	2093	1874	2725
Process						
Regional Hospitals with operational hospital board	%	100	100	100	100	100
Regional Hospitals with appointed (not acting) CEO in place	%	100	100	100	60	100
Facility data timeliness rate for regional hospitals	%	100	100	100	100	100
Output						
Caesarean section rate for regional hospitals	%	36.2	35.78	36.5	41.3	42.4
Quality						
Regional Hospitals with patient satisfaction survey using DOH template.	National instrument not implemented. Some hospitals use their own instrument to conduct survey					93
Regional Hospitals with clinical audit (M&M) meetings every month						4.7
Efficiency						
Average length of stay in regional hospitals	Days		4.99	4.8	5	4.7
Bed utilisation rate (based on useable beds) in regional hospitals	%	No data	72.26	70.0	74.6	71.1
Expenditure per patient day equivalent in regional hospitals	R	No data	1045.28	1 609.25	1141	1458
Outcome						
Case fatality rate for surgery separations in regional hospitals	%	No data	5.3	3.3	4.3	3.9
Service volumes						
Separations		No data	No data	100571	100193	100353
OPD head counts		No data	No data	210396	197881	211997
Day cases		No data	No data	6249	5948	7169
Casualty head count		No data	No data	114406	118829	107984
PDEs		No data	No data	9924.2	49869.3	575046

Source: DHIS Database



## FREE STATE PROVINCE Department of Health

### Use of appropriated funds: Funds allocated to sub-programmes of the Provincial Hospital Services Programme during 2007/08 and actual expenditure (R' 000)

Programme	Voted for 2006/07	Roll-overs and adjustment	Virement	Total voted for programme	Actual Expenditure	% (over)/under spending
General Hospitals	804,442	-	6,226	810,668	820,821	(10,153)
Psychiatric Hospitals	146,717	-	87	146,804	176,545	(29,741)
<b>Total</b>	<b>951,159</b>	<b>-</b>	<b>6,313</b>	<b>957,472</b>	<b>997,366</b>	<b>(39,894)</b>

Source: BAS System

### Evolution of expenditure of the Provincial Hospital Services

Programme	Year -5 2002/03	Year -4 2003/04	Year 3 2004/05	Year 2 2005/06	Year1 2006/07	Year0 2007/08	Average annual growth (nominal)
General Hospitals	530,178	587,061	678,054	730,083	820,054	820,821	0.09%
Psychiatric Hospitals	92,987	108,109	119,768	126,126	131,909	176,545	33.84%
<b>Total</b>	<b>623,165</b>	<b>695,167</b>	<b>797,822</b>	<b>856,209</b>	<b>951,962</b>	<b>997,366</b>	<b>4.77%</b>

Source: BAS System

### Programme sub-programme (R'000)

#### Past expenditure trends in Provincial Hospital Services Programme and reconciliation of MTEF Projections with the Strategic Plan

Expenditure	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Total	567,621	623,165	695,167	797,822	856,209	951,962	997,365	1,112,103	1,263,873	1,420,917
Total per person	198.67	218.11	243.31	279.25	292.29	333.09	332.81	389.12	442.22	497.17
Total per uninsured person	233.20	256.02	285.59	327.78	348.95	390.78	370.35	456.72	519.04	576.15
<b>Total capital</b>	<b>14,773</b>	<b>12,766</b>	<b>6,950</b>	<b>12,337</b>	<b>10,375</b>	<b>12,720</b>	<b>10,390</b>	<b>19,473</b>	<b>22,281</b>	<b>23,950</b>

Source: BAS System



## PROGRAMME 5: CENTRAL HOSPITAL SERVICES

### AIM

The Central Hospital Services is responsible to:

- Manage, monitor, organise and render level III and IV tertiary services in the Free State Province.
- Monitor, organize training, education, research and service delivery of the medical school and other schools in the faculty for health sciences.

### Programme 5 has the following sub programmes:

- Central hospital services

## ANALYTIC REVIEW OF PROGRAMME PERFORMANCE

### Tertiary Services:

- Currently, Universitas Academic Hospital (UAH) and Pelonomi Hospital are the major providers of tertiary care in the Free State.
- Tertiary services are also rendered at Pelonomi, Dihlabeng, Bongani and to a lesser degree at Mofumahadi Manapo Mopeli and Boitumelo regional hospitals.

### Flow of patients across provincial boundaries

- Universitas tertiary hospital is providing a substantial part of Tertiary services (some T1, all T2 and some T3) to the Northern Cape population of 822 727.
- In addition to the above, the Eastern Cape population, bordering the province in the south, comes to Pelonomi hospital for Regional services.
- It is estimated that the level 3 cross border population from Northern Cape will remain constant for at least the next 5 years. The level 3 cross border population from Lesotho is estimated to be 1 000 000 (total population of Lesotho is approximately 2 million based on the 2002 census according to the Lesotho Embassy) while the Eastern Cape will be the same as for Regional services at 270 000, also for the foreseeable future.

### Waiting lists

- Universitas Academic Hospital has extended waiting lists for surgical procedures. Two examples are Arthroplastia (Hip, Knee and Shoulder replacements) and Cardiothoracic Surgery.
- Erasing the backlog for surgical cases will depend on a number of factors to be addressed:
  - Shortage of scrub nurses (posts are available, but cannot be filled due to unavailability of applicants)
  - Shortage of anaesthetists (supervision – not enough consultants available)
  - Availability of enough beds (addressed in revitalisation business case for UAH)
  - Operational budget

For arthroplasty procedures, for example, a total of R11,7 million will be needed per year, whereas R20,7 million per year is needed to erase the backlog for Cardiothoracic procedures. These backlogs only represent two surgical departments, as an example of



constraints.

### **Quality Assurance**

The Hospital has an established Quality Improvement Unit and this Unit is assisting all supervisors and managers to maintain accreditation by COHSASA (The Council for Health Service Accreditation of South Africa). The next external survey will be late in May 2008. UAH plans to maintain accreditation a further 2 years.

## **POLICIES, PRIORITIES AND STRATEGIC GOALS**

### **Priorities**

- Redefinition of the Academic Platform
- Implementation of new Staff Establishment
- Revitalisation of Pelonomi and UTH
- Addressing Facility, Equipment and Maintenance Backlogs
- Strengthening of Outreach Programme and Referral System
- Developing a viable Telemedicine Model
- Addressing Tertiary Services backlogs
- Clinical Risk Management
- Implementation of Quality Assurance Policy and Strategy
- Quality Improvement Projects and maintenance of COHSASA Accreditation
- Clinical Governance and Patient Safety
- Infection Control and Service standards
- Designated Service Provider Networks
- PPP and PPI projects

### **Challenges**

- Increased demand for services
- Increasing costs of services
- Decreasing funding envelope
- Maternity and Casualty Services in Bloemfontein
- Intergovernmental and inter-sectoral collaboration
- Personnel shortages
- Transformation and Equity
- Rationalisation of services and structures
- Implementation of Macrostructure
- Monitoring and evaluation of Performance

## **CHALLENGES AND CONSTRAINTS**

### **Finance and financial management**

Financial constraints continue to pose a threat to tertiary services in the province. However, the Modernization of Tertiary Services Project has assisted in relieving the financial pressures to a certain extent. The programme will put mechanisms in place to contain over-expenditure.



### **Human resources**

The implementation of the new approved staff establishment was hampered in 2007 by financial constraints.

In 2008, the key appointments of Community Principal Specialists in the following disciplines: Obstetrics and Gynaecology and Anaesthesiology, will be made to address problematic service delivery matters.

### **Support systems**

An extensive Outreach Programme support by hub and spoke and spoke telemedicine system is in place between the tertiary, regional and districts hospitals in order to ensure fully functional district and regional hospitals. The budget has been set aside to roll out the telemedicine project.



## FREE STATE PROVINCE Department of Health

### TABULAR REPORTING ON PERFORMANCE AGAINST PROVINCIAL ANNUAL PERFORMANCE PLAN FOR 2007/08

Table 20: Performance against targets from 2007/08 Annual Performance Plan for the Central Hospital Services Programme

Objectives	Indicator	2005/06:Actual	2006/07:Actual	2007/08: Actual	2007/08: APP Target
<b>INDGET SUBPROGRAMME: CENTRAL HOSPITAL SERVICES</b>					
<b>DAL 1: COMPASSIONATE AND QUALITY CARE</b>					
Implement the Master plan for the Modernisation of Tertiary Services (MTS) in the Free State.	% implementation of the MTS.	Not applicable.	Not applicable.	Implementation was seriously hampered in the third quarter due to the inability to fill posts on the critical list.	Phase 1 of MTS
	Number of institutions implementing the appropriate service packages per level of care.	Not applicable.	Not applicable.	No further implementation due to lack of funding.	70% implementation of appropriate tertiary service package.
	% achievement of efficiency targets by established clinical and clinical-support cost centres at UAH.	Not applicable.	Not applicable.	Finalised cost centre dashboard and performance indicators for all cost centres.	Monthly reports on all dashboard indicators to all cost centres.
	Number of institutions with an outreach programme(s) as a % of the total by level of care.	Not applicable.	Not applicable.	Outreach in place to all regional hospitals and Kimberley Hospital Complex. Registrars appointed for Bongani Hospital.	Defined outreach to 80% institutions.
Provide appropriate and accessible level of health care services for the designated catchment population.	Number and type of disciplines covered per regional hospital from the tertiary services complex.	Not applicable.	Not applicable.	Only Oncology, Urology, Ophthalmology, Surgery and Genetics.	Extended to Gynaecology, Anaesthetics, Radiology and Internal Medicine.
	% appropriate referrals at tertiary level.	Not applicable.	Not applicable.	80% appropriate referrals.	85% appropriate referrals.
	% institutions effectively serviced through telemedicine hub and spoke service.	Not applicable.	Not applicable.	Implementation Plan is in place.	Telemedicine infrastructure rolled out to all regional hospitals.



Objectives	Indicator	2005/06: Actual	2006/07: Actual	2007/08: Actual	2007/08: APP Target
<b>BUDGET SUBPROGRAMME: CENTRAL HOSPITAL SERVICES</b>					
<b>GOAL 1: COMPASSIONATE AND QUALITY CARE</b>					
Enhance the level of Batho Pele and Patient Charter skills and competencies within the department.	% implementation of approved service standards.	Not applicable.	Not applicable.	Customer Care training was provided and negative staff attitude has been addressed.	80%
	% compliance with standards.	Not applicable.	Not applicable.	Programme in place to address the non-compliant service elements.	60%
	% patient satisfaction rate according to national survey instrument.	Not applicable.	95%	Satisfaction levels maintained above 96 %.	97%
Implementation of the provincial health promotion strategy.	Implementation of the provincial health promotion strategy per tertiary cost centre.	Not applicable.	70%	70%	80%
Ensure sustainability of strategic partnerships.	% achievement of PPP agreement targets.	Not applicable.	90%	100%	95%
	Number of Service Level Agreements and contracts signed with medical funds for Designated Service Provider Network.	Not applicable.	Concept contracts developed.	Almost all major medical schemes signed contracts	SLAs signed with 5 medical funds
	Number of hospitals that are part of the Designated Service Provider Network.	Not applicable.	Not applicable.	Universitas Academic- and Pelonomi Regional Hospitals are part of the DSPN.	3 regional and 1 national referral hospital part
<b>GOAL 3: OPTIMAL FACILITIES AND EQUIPMENT</b>					
Hospital facilities essential maintenance programme.	% budget allocated and spent for facilities maintenance.	Not applicable.	<2% budget allocated and spent.	Maintenance spending maintained at 2.5 %.	2.3% budget allocated and spent.
	% compliance with the FSDH specialized facility maintenance programme.	Not applicable.	Not applicable.	Universitas Academic Hospital is compliant with maintenance programme (pilot).	70% compliance.
	% implementation of the Expanded Public Works Maintenance Programme (EPWP).	Not applicable.	Not applicable.	Not applicable.	70% EPWP implementation.



## FREE STATE PROVINCE Department of Health

Objectives	Indicator	2005/06: Actual	2006/07: Actual	2007/08: Actual	2007/08: APP Target
<b>BUDGET SUBPROGRAMME: CENTRAL HOSPITAL SERVICES</b>					
<b>GOAL 3: OPTIMAL FACILITIES AND EQUIPMENT</b>					
Provision of essential equipment to provincial health facilities.	Number of facilities with essential equipment packages.	Not applicable.	Not applicable.	In place for Universitas Academic Hospital.	Essential equipment packages
	Number of facilities with equipment surveys done.	Not applicable.	Not applicable.	Equipment surveys in place for Oncology and Diagnostic Radiology.	80% equipment surveys done in cost centres.
	% implementation of the equipment plan per facility.	Not applicable.	80% implementation of the equipment plan.	Clinical Engineering: all posts filled.	100% implementation of the equipment plan.
	Number of facilities with appropriate clinical engineering support at facility level.	Not applicable.	90% appropriate clinical engineering support.	100% appropriate clinical engineering support.	100% appropriate clinical engineering support.



## REPORTING ON STANDARD NATIONAL INDICATORS

**Table 21: Central Hospital Services**

		04/05 actual	05/06 actual	06/07 actual	07/08 actual
<b>Input</b>					
Expenditure on hospital staff as percentage of total hospital expenditure	%	62.97	61.9	65.6	63.92
Expenditure on drugs for hospital use as percentage of total hospital expenditure	%	9.25	9.4	10.14	8.67
Hospital expenditure per uninsured person	R	No data	146.39		154.59
Useable beds		632	632	632	636
<b>Process</b>					
Hospitals with operational hospital board	%	100	100	100	100
Hospitals with appointed (not acting) CEO in place	%	100	100	100	100
Facility data timeliness rate	%	100	100	80	100
<b>Output</b>					
Caesarean section rate	%	64	60.8	69.9	73.3
<b>Quality</b>					
Hospitals with a published nationally mandated patient satisfaction survey in last 12 months	%	Not yet implemented	Not yet implemented	Not yet implemented	100
Hospitals with clinical audit (M and M) meetings at least once a month	%	yes	Yes	yes	100
<b>Efficiency</b>					
Average length of stay	Days	5.4	5.8	6.0	6
Bed utilisation rate (based on useable beds)	%	No data	64.1	69.2	72.2
Expenditure per patient day equivalent	R	R 3,328	R2,934	R2,876	3134
<b>Outcome</b>					
Case fatality rate for surgery separations	%	11.25	1.4	1.4	0.9
<b>Service volumes</b>					
Separations		No data	25140	26536	28684
OPD headcounts		No data	148742	153496	175331
Day cases		No data	3384	4110	4820
Casualty headcount		No data	2774	1840	452
PDEs		No data	8168.3	17392.2	222178

Source: DHIS Database



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Use of appropriated funds: Funds allocated to sub-programmes of the Central Hospital Services.

### Programme during 2007/08 and actual expenditure (R' 000)

Programme	Voted for 2006/07	Roll-overs and adjustment	Virement	Total voted for programme	Actual Expenditure	% (over)/ under spending
Central Hospitals	443,884	-	1,287	445,171	438,911	6,260
Provincial Tertiary Hospitals	233,440	-	7,324	240,764	254,783	(14,019)
<b>Total</b>	<b>677,324</b>	<b>-</b>	<b>8,611</b>	<b>685,935</b>	<b>693,694</b>	<b>(7,759)</b>

Source: BAS System

### Evolution of expenditure of the Central Hospital Services programme by sub-programmes (R'000)

Programme	Year -5 2002/03	Year -4 2003/04	Year 3 2004/05	Year 2 2005/06	Year 1 2006/07	Year 0 2007/08	Average annual growth (nominal)
Central Hospitals	421,339	444,581	462,621	342,491	360,165	438,911	21.86%
Provincial Tertiary Hospitals	-	-	-	200,744	239,278	254,783	6.48%
<b>Total</b>	<b>421,339</b>	<b>444,581</b>	<b>462,621</b>	<b>543,235</b>	<b>599,433</b>	<b>693,694</b>	<b>15.72%</b>

Source: BAS System

### Past expenditure trends in the Central Hospital Services Programme and reconciliation of MTEF Projections with the Strategic Plan

Expenditure	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Total	383,376	421,339	444,581	462,621	543,235	559,433	685,935
Total per person	134.18	147.47	155.72	161.92	190.13	209.74	236.99
Total per uninsured person	157.50	173.10	182.79	190.06	223.17	246.08	278.16
<b>Total capital</b>	<b>5,601</b>	<b>5,954</b>	<b>1,464</b>	<b>17,253</b>	<b>2,384</b>	<b>13,017</b>	<b>11,066</b>

Source: BAS System



## PROGRAMME 6: HEALTH SCIENCES AND TRAINING

### AIM

This programme organises and funds the training of health professionals.

### PROGRAMME DESCRIPTION

Programme 6 has the following sub programmes:

- Nurse Training Colleges
- Bursaries
- Primary Health Care Training
- Other Training
- Human Resource Management

### ANALYTIC REVIEW OF PROGRAMME PERFORMANCE

#### Human Resource Development

##### Training needs assessment and gap analysis, both in-service and pre-service

- All (100%) cost centres have submitted their training needs which were collated into a Master Workplace Skills Plan. These training needs include the strategic priorities, national Skills Development Plan, individual training needs and competencies required for a job holder.
- Various training programmes were implemented to address identified training needs.

##### Relevance, quality and capacity of training programmes, including numbers trained and attrition rates

- Personnel are nominated for courses in line with criteria, which includes the relevance of a course to the job of an individual.
- Evaluation tools have been developed and are being used by participants to assess the quality of training provided by the service provider.
- Personnel are being evaluated after courses, to determine whether they can do the work the training was meant to equip them for.

##### Training programmes for primary health care nurses and duration of re-orientation programmes for primary health care

- Primary Health Care nurses are being trained at the University of Free State. The duration of the program is one year and students are being funded.
- For 2007, a total of 16 professional nurses registered for Primary Health Care of which 15 (93,8%) were competent.

##### Training programmes for mid-level workers (e.g. in nursing, pharmacy, emergency medical services, dentistry, radiography, physiotherapy, occupational therapy)

- For 2007, 250 Mid-level Health Care Workers (80 Enrolled Nursing, 100 Auxiliary Nursing, 35 Basic Pharmacist Assistants, 15 Post-Basic Pharmacist Assistants and 20 Radiographers) were put on the 18.2 Learnership program.



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- Several discussions on training programmes have taken place regarding Occupational Health, Physiotherapy and Emergency Care Practitioners.
- The Clinical Associate, a new category of mid-level health care worker will commence training in 2008 at the Medical School of the Faculty of Health Sciences of the Free State University. This programme will be funded by National Health as from 2008 – 2010 and by the Free State Department of Health as from 2011. An extended Task Team of the School of Medicine, University of Free State and Free State Department of Health is preparing for the implementation of this qualification at the Free State University in 2008.
- For 2007, a total of 26 Ambulance Emergency Assistants were trained of which 16 successfully completed the program.

### **Bursaries**

For 2007, the department allocated 261 new full time bursaries and 94 new part time bursaries.

### **Structured in-service education/continuing professional development programmes**

- Structured in-service education is being presented by professional training officers in institutions.
- For 2007, a total of 4 867 Health Care Professionals received Continuous Professional Development (CPD) Training through satellite broadcasting and formal contact sessions for all categories of health care workers.

### **Curriculum innovation and development (e.g. competency based and health system based curricula, problem based learning, community based education)**

- Community-based and student-centred approaches to education and training have been adopted and have either been implemented or are being developed in the offering of learning programmes.
- Computer-based education initiatives are also being developed. Competency-based assessment has commenced.
- The SA Nursing Council accredited the process for Recognition of Prior Learning (RPL). This has been implemented. More candidates need to be recruited, however. For 2007, RPL test has been decentralised to Bethlehem and Welkom.

### **Personnel expenditure on which the development component of the Health Professional Training & Development Grant will be expended:**

- All students at the Free State School of Nursing.
- Lecturers, Free State School of Nursing
- Registrars, University Free State (UFS) Medical School
- Teaching staff, UFS Medical School



## CHALLENGES AND CONSTRAINTS

### Finance and financial management

The limited financial resources for bursaries and the expansion of the nursing education system in the Free State Department of Health pose great challenges.

### Measures Planned to Overcome

- Utilized the Health Professional Training and Development Grant for health-related bursaries.
- Budget from voted funds, set aside for revitalization and expanding infrastructure of nursing education institutions.

### Programme Management Capacity

- Lack of accredited facilities for experiential learning/limited training opportunities.
- Shortage of personnel with appropriate credentials.
- Poorly developed transport system.
- Lack of regional co-operation in further and higher education system.

### Measures Planned to Overcome

- The department is in a process of ensuring that more facilities are accredited by South African Nursing Council for experiential learning.
- Negotiations are taking place in terms of co-operation and collaboration with Further and Higher Education Institutions.
- A Memorandum of Agreement has been signed with certain Higher and Further Education Institutions.
- Critical posts have been filled: 2 Head of Department's posts and 4 lecturers' posts were filled.

### Support systems that need strengthening include:

Statutory accreditation processes and outcomes, which could be influenced by:

- Shortage of professionals with appropriate credentials.
- Availability of specialised equipment in line with Health Professional Councils training requirements.
- In order to provide an educational conducive environment for students, it is necessary to ensure that transport is available to take them to the places where they must work to gain relevant experience. Poorly developed transport infrastructure makes this task difficult.
- During their work in community situations their safety must be ensured.
- Strengthen student academic support system.



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### TABULAR REPORTING ON PERFORMANCE AGAINST PROVINCIAL ANNUAL PERFORMANCE PLAN FOR 2007/08

TABLE 23: Performance against targets from 2007/08 Annual Performance Plan for Health Sciences & Training Programme

Objectives	Indicator	2005/06: Actual	2006/07: Actual	2007/08: Actual	2007/08: APP Target
<b>DEGET PROGRAMME: HEALTH SCIENCES TRAINING</b>					
<b>DEGET 4: APPROPRIATE AND SKILLED PERSONNEL</b>					
Implementation of Human Resource Management, Provisioning and Development in the Department.	Percentage increase of student intake in terms of: Nursing and Mid-level Health Care Workers.	<b>NURSING:</b> Basic qualifications ▪ 4 year Diploma – 100% increase (250 students). ▪ 2 year Diploma (bridging) no increase (80 students).	No increase maintain intake of 250.  No increase. Maintain intake of 80.	120 new bursaries were awarded for nursing (4 year Diploma).  40 students have commenced with their 2-year Diploma (Bridging).	20% increase (300 students)  No increase maintain intake of 80)
		Post Basic Qualifications ▪ No increase ▪ Theatre (20 students). ▪ Intensive nursing care (20 students). ▪ Paediatrics (0 students). ▪ Midwifery (50 students).	Increase intake in paediatrics to 10, maintain intake of other specialities.	Post Basic Qualifications - 26 bursaries were awarded: (8 theatre, 18 Intensive Care).	Maintain intake
		<b>MID-LEVEL HEALTH CARE WORKERS</b> Enrolled Nursing - 100% increase (75 students). Auxiliary Nursing – no increase (60 students). Basic Pharmacy Assistants – no increase (9 students).	25% increase (100 students)  No increase - maintain intake of 60 student.	30 Enrolled nursing students commenced training in October 2007 and are progressing well. An additional 50 students commenced training on 03 January 2008. 100 auxiliary nurses, 80 enrolled nurses and 20 diagnostic radiographers are progressing well.	25% increase (130 students)  40% increase (100 students)
		Awarded 595 (280 nursing; 315 others).	Award 730 (480 nursing; 300 others).	During 2007, 261 new full-time bursaries and 94 new part time bursaries were awarded. This is in addition to the 729 existing bursaries (355 ordinary and 374 Free State School of Nursing).	Award 980 (680 nursing; 250 others)
	Number of bursaries awarded for fulltime studies for professionals as prioritised.				



Objectives	Indicator	2005/06: Actual	2006/07: Actual	2007/08: Actual	2007/08: APP Target
<b>BUDGET PROGRAMME: HEALTH SCIENCES TRAINING</b>					
<b>GOAL 4: APPROPRIATE AND SKILLED PERSONNEL</b>					
Implementation of a Human Resource Management, Provisioning and Development Plan for the Department (continued).	% implemented education and training programme for: - Mid-level workers - Professional Nurses.	10 % (programs in preparation).  10% implementation programme for Professional Nurses (commenced with increased intake).	40% implementation programme for mid level workers.  60% implementation programme for Professional Nurses.	5 out of 9 programmes (55%) for mid-level workers, implemented: Enrolled Nursing, Auxiliary Nursing, Basic Pharmacy Assistance, Post Basic Radiographer Assistance and progressing well. 3 out of 4 (75%) post registration and post basic programmes have been implemented at FSSON.	50% implementation programme for mid level workers.  60% implementation programme for Professional Nurses.
	% of hospital managers trained in Hospital Management.	38% hospital managers trained in Hospital Management.	60% hospital managers trained in Hospital Management.	8/49 (16%) Hospital Managers are on Hospital Management Training. Financial constraints hampered achievement of the target.	70% hospital managers trained in Hospital Management.
	Number of learners trained per district in ABET Training in collaboration with further education institutions.	Not applicable.	300 learners trained per district in ABET Training.	394 ABET learners commenced in November 2007. The baseline assessment test was completed in order to determine the level. The department however, did not agree with the service provider (the rollout plan) on certain logistical issues. The process of securing another service provider is underway.	300 learners trained per district in ABET Training.



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Objectives	Indicator	2005/06: Actual	2006/07: Actual	2007/08: Actual	2007/08: APP Target
<b>BUDGET PROGRAMME: HEALTH SCIENCES TRAINING</b>					
<b>GOAL 4: APPROPRIATE AND SKILLED PERSONNEL</b>					
Implementation of a Human Resource Management, Provisioning and Development Plan for the Department (continued).	Number of 18.1 learnerships (for employees) implemented per district for nursing Auxiliaries, enrolled nurses, bridging course for nursing, critical care, post-basic pharmacy, engineers and artisans.	43 learnerships, Motheo 43 learnerships, Thabo Mofutsanyana 35 learnerships, Lejweleputswa 35 learnerships, Fezile Dabi 35 learnerships, Xhariep	50 learnerships, Motheo 50 learnerships, Thabo Mofutsanyana 40 learnerships, Lejweleputswa 40 learnerships, Fezile Dabi 40 learnerships, Xhariep	Hundred-and-one (101) 18.1 learnerships were implemented and learners are progressing well: 10 x Primary Health Care, 10 x Bridging, 21 x Critical Care, 10 x Enrolled Nursing, 35 x Basic Pharmacy and 15 in Post Basic Pharmacy. The breakdown per district, is as follows: 39 Motheo 23 Thabo Mofutsanyana 14 Lejweleputswa 12 Fezile Dabi 13 Xhariep No additional learnerships could be implemented due to financial constraints.	Maintain numbers 50 learnerships, Motheo 50 learnerships, Thabo Mofutsanyana 40 learnerships, Lejweleputswa 40 learnerships, Fezile Dabi 40 learnerships, Xhariep
	Number of continuous professional development (CPD) training sessions implemented for identified categories of health professionals.	37 training sessions implemented.	50 training sessions implemented.	279 Continuous Professional Development training sessions were conducted – 4867 health care professionals attended.	60 training sessions implemented.
Implement a Workplace Skills Plan.	Percentage of employees per district who received transversal training.	64 employees for Motheo 64 employees for Thabo Mofutsanyana 64 employees for Lejweleputswa 63 employees for Fezile Dabi 61 employees for Xhariep	80 employees for Motheo 80 employees for Thabo Mofutsanyana 80 employees for Lejweleputswa 60 employees for Fezile Dabi 60 employees for Xhariep	A total of 219 employees received transversal training during 2007/08. The breakdown per district, is as follows: 84 employees for Motheo 46 employees for Thabo Mofutsanyana 47 employees for Lejweleputswa 32 employees for Fezile Dabi 10 employees for Xhariep	80 employees for Motheo 80 employees for Thabo Mofutsanyana 80 employees for Lejweleputswa 60 employees for Fezile Dabi 60 employees for Xhariep
	% compliance with required skills and competencies per level of care.	Senior Managers 20.9% Professionals 80% Technicians 90% Clerks 39.76% Service 8.46% Labourers 7.24%	Senior Managers 30% Professionals 80% Technician 90% Clerks 50% Service 10% Labourers 10%	The Skills Audit for different categories has commenced and will be finalised in April 2008.	Senior Managers 30% Professionals 80% Technician 90% Clerks 60% Service 15% Labourers 20%



Objectives	Indicator	2005/06: Actual	2006/07: Actual	2007/08: Actual	2007/08: APP Target
<b>BUDGET PROGRAMME: HEALTH SCIENCES TRAINING</b>					
<b>GOAL 4: APPROPRIATE AND SKILLED PERSONNEL</b>					
Educate and train volunteers of the Free State Department of Health.	Number of Community Development Workers trained and placed per sub-districts (Extend Expanded Public Works Programme - EPWP).	Training Commenced.	Maintain numbers per district 40 Motheo 40 Thabo Mofutsanyana 30 Lejweleputswa 25 Fezile Dabi 15 Xhariep	No community development workers were trained, however; 215 ancillary health care workers and 244 care givers are progressing well as well as 170 enrolled- and auxiliary nurses.	Maintain numbers per district 40 Motheo 40 Thabo Mofutsanyana 30 Lejweleputswa 25 Fezile Dabi 15 Xhariep
	Number of volunteers trained per district as Community Health Care Workers (CHW) (NQF Level 4).	Not applicable.	Not applicable.	There are no Service Providers accredited for NQF Level 4 in South Africa. Health and Welfare SETA is in a process of assisting service providers to become accredited for NQF Level 4.	None.
	Number of 18.2 learnerships (unemployed people) implemented per districts for auxiliary nursing, enrolled nursing and basic pharmacy, etc.	233 learnerships (unemployed people) implemented.	50 learnerships (unemployed people) implemented.	140 (18.2) learnerships implemented: 70 Auxiliary Nursing (commenced training in September), 35 Basic Pharmacists & 15 Post Basic Pharmacists (commenced training in August 2007) and 20 Diagnostic Radiographers (commenced training in February 2007). The breakdown per district, is as follows: 41 Motheo 36 Thabo Mofutsanyana 10 Lejweleputswa 30 Fezile Dabi 23 Xhariep	50 learnerships (unemployed people) implemented.
<b>GOAL 5 : STRATEGIC AND INNOVATIVE PARTNERSHIPS</b>					
Ensure sustainability of strategic partnerships.	Number of approved Joint Agreements with Further and Higher Education Institutions.	Three agreements with CUT.	2 new agreements with CUT and NETCARE TA.	The current four Service Level Agreements are being maintained and are as follows: Radiography, Emergency Medical Care (CUT), Clinical Technology and Dental Assistants.	Maintain 4 current agreements.



**Table 24: Health Professionals Training and Development Grant**

Indicator	Type	04/05 actual	05/06 actual	06/07 actual	07/08 actual
<b>Input</b>					
Intake of medical students	No	134	154	17*	16*
Intake of nursing students	No	1120	250	250*	120 (FSSON)
Students with bursaries from the province	No	189	347	355*	524 (FSSON all students) 100 new for 2008
<b>Process</b>					
Attrition rates in first year of nursing school	%	0.7	4	7.8 (32 students)	5.5% (12 out of 217 students of 2007)
<b>Output</b>					
Basic medical students graduating	No	172	119	44	39
Basic nursing students graduating	No	No data	212	88*	99 (Bridging + 4 year at FSSON)
Medical registrars graduating	No	No data	85	0*	1
Advanced nursing students graduating	No	No data		118*	27 (Theatre and Intensive at FSSON)
<b>Efficiency</b>					
Average training cost per nursing graduate	R	35 000	R45 000	R45 000	-
Development component of HPT & D grant spent	%				93% (R43 million of R46 million)

**Source: FSSON Database**

These statistics on the HPT & D grant, only reflect the number from the Department of Health.

## REPORTING ON STANDARD NATIONAL INDICATORS

**Table 25: Human Resource Management**

		05/06 Actual	06/07 Actual	07/08 Actual	07/08 APP's target
<b>Efficiency</b>					
Nurse clinical workload (PHC)	No			36 patients	
Doctor clinical workload (PHC)	No			29 patients	
<b>Outcome</b>					
Supernumerary staff as a percentage of establishment	%			0	

\*Information collection on the prescribed indicators was not possible as the new format for Annual Reports, only became available late in May 2008.



**Funds allocated to sub-programmes of the Health Sciences and Training Programme during 2007/08 and actual expenditure (R' 000)**

Programme	Voted for 2006/07	Roll-overs and adjustment	Virement	Total voted for programme	Actual Expenditure	% (over)/under spending
Nurse Training Colleges	-	-	-	-	(36)	36
EMS Training Colleges	-	-	-	-	-	-
Bursaries	9,771	-	-	9,771	9,689	22
Primary Health Care Training	87,875	-	(1,918)	85,957	74,786	11,171
Other training	18,068	-	-	18,068	14,288	3,779
<b>Total</b>	<b>115,654</b>	<b>-</b>	<b>(1,918)</b>	<b>113,736</b>	<b>98,727</b>	<b>15,009</b>

Source: BAS System

**Evolution of expenditure of the Health Sciences and Training by sub programme R,000**

Programme	Year -5 2002/03	Year -4 2003/04	Year 3 2004/05	Year 2 2005/06	Year 1 2006/07	Year 0 2007/08	Average annual growth (nominal)
Nurse training colleges	33,874	35,679	61,608	46,605	57,166	(36)	(100)%
EMS training colleges	2,034	1,752	927	1,611	-	-	-
Bursaries	3,051	17,787	9,215	19,247	9,694	9,689	(0.05)%
Primary Health Care Training	-	-	12,581	16,607	18,243	85,957	309.94%
Other training	6,811	24,034	6,618	11,803	13,046	14,288	9.53%
<b>Total</b>	<b>45,770</b>	<b>79,199</b>	<b>90,949</b>	<b>95,873</b>	<b>98,150</b>	<b>98,727</b>	<b>0.59%</b>

Source: BAS System



## FREE STATE PROVINCE Department of Health

Table 30: Past expenditure trends in the Health Sciences and Training Programme and reconciliation of MTEF Projections with the Strategic Plan

Expenditure	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Total	62,318	45,770	79,199	90,949	95,873	98,149	98,728	122,541	142,267	153,801
Total per person	21.80	16.01	27.73	31.82	33.55	34.35	40.47	42.88	49.78	53.81
Total per uninsured person	25.59	18.8	32.55	37.35	39.36	40.30	47.50	50.32	58.43	63.16
Total capital	6,466	331	2,858	886	1,286	1,527	5,108	326	354	375

Source: BAS System & Budget Statement Number 2



## PROGRAMME 7: HEALTH CARE SUPPORT SERVICES

The aim of Programme 7 is to manage the budget and services of the Laundries as well as Orthotic and Prosthetic services. The Medicines trading account is also managed within this programme.

### PROGRAMME DESCRIPTION

This programme has the following sub programmes

- Laundry services
- Orthotic and Prosthetic Services.
- The Medicines Trading Account

### ANALYTIC REVIEW OF PROGRAMME PERFORMANCE

#### *Laundry Services*

Linen is processed at the four (4) Laundries situated at Bloemfontein (2), Kroonstad and Qwa Qwa. The users determine service levels and are required to purchase linen. Notwithstanding the critical shortage of linen items, services have been satisfactory over the past three years.

- In an attempt to address linen shortages, fabric to the value of approximately R3 million was purchased by Linen Services. A project to combat the general shortage of linen in the province is currently being developed to combat this situation.
- Phase I of the Electronic Tracking of linen items, was successfully completed during 2005/06 and entails the installation of hardware and software for Qwa Qwa Laundry.
- Phase II which entails the installation of hardware and software for Bloemfontein Central Laundry and Kroonstad Central Laundry was completed in March 2007. Phase III (maintenance and management) did not go as planned due to infrastructure unavailability and is expected to be completed by October 2008.
- The vehicle fleet is being monitored via satellite tracking in an attempt to streamline the routes and to improve service delivery.
- The implementation of a quality assurance programme is nearing final evaluation for accreditation.
- Participation in the Provincial Expanded Public Works Programme with regard to linen manufacturing has been initiated and an amount of R4 million was allocated in 2007/08 towards the creation of hospital linen by FET colleges and women's groups to stimulate economic growth and contribute to the alleviation of poverty, in the new financial year.



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To reduce the backlog of hip and knee replacements, which is an expensive service, an additional theatre for patients was introduced at National Hospital. This service also commenced at Dhlabeng Regional Hospital and will commence at Bongani Regional Hospital in near future.

### ***Medicines Trading Account***

The upgrading of facilities has been delayed but is still in progress.

## **POLICIES, PRIORITIES AND STRATEGIC GOALS**

### ***Laundry Services***

The goal of Laundry Services is to optimise and manage linen (an asset in excess of R17 million) within the province. Control and management is addressed via the direct off site management of linen items on behalf of the user, by the Laundry Services. The control of these items is achieved by the electronic tracking system. A target of a 100% delivery of required items is pursued.

### ***Orthotic & Prosthetic Services***

A policy for the Orthotic and Prosthetic Services is available to ensure adequate service provision, improvement of quality service, availability of appropriate resources and improved collaborative engagement with all stakeholders. Other policies available include the following:

- Provincial Rehabilitation Policy
- Assistive Devices Policy
- Physiotherapy Policy
- Occupational Therapy Policy
- Orthotic and Prosthetic Services Policy
- Vocational Evaluation and Rehabilitation Services

## **CHALLENGES AND CONSTRAINTS**

### ***Laundry Services***

- There is a critical shortage of funding for capital replacement of production equipment. Alternative methods of revenue are being exercised. Retention of this revenue is not permitted, so the benefit is negated.
- A serious lack of training for laundry-specific skills including management skills is hampering the cost-efficiency of service delivery. In-house training is being done but is inadequate for higher level employees. A nationally accredited training programme is required to successfully address this gap.
- The acquisition of high quality linen remains a challenge. Alternative sources and methods of linen item manufacture will be pursued.



**TABULAR REPORTING ON PERFORMANCE AGAINST PROVINCIAL ANNUAL PERFORMANCE PLAN FOR 2007/08**

**TABLE 22: Performance against targets from 2007/08 Annual Performance Plan for the Health Care Support Services Programme**

Objectives	Indicator	2005/06: Actual	2006/07: Actual	2007/08: Actual	2007/08: APP Target
<b>BUDGET SUBPROGRAMME: LAUNDRIES</b>					
<b>GOAL 6: EFFICIENT MANAGEMENT AND GOVERNANCE</b>					
Develop and implement a comprehensive laundry plan in line with needs.	Customer queries reduced below 5 per year.	Queries down to 10 per year.	Queries down to 5 per year.	No more queries on laundry performance. Current queries are related to a lack of linen stock. The new budget for 2008/09 will be utilised to purchase fabric.	Queries down to 5 per year.
	6 SLA's agreed to by institutions.	6 SLAs agreed to by institutions.	6 SLAs agreed to by institutions.	6 Service Level Agreements agreed to, by institutions.	10 SLAs agreed to by institutions.
	Functions identified for Employee Owned Enterprises.	Plan developed for Employee Owned Enterprises.	Functions identified for Employee Owned Enterprises in terms of Employee Owned Enterprise Plan.	The target was not achieved. The plan was abandoned due to the fact that the Trading Account was not approved.	50% implemented plan for 1 Employee Owned Enterprise.
<b>BUDGET SUBPROGRAMME: ORTHOTIC AND PROSTHETIC SERVICES</b>					
Improve Accessibility to Orthotic and Prosthetic Services.	Number of users per year.	Bloemfontein	8650	5546	3320
		Welkom	4530	2536	1299
		Bethlehem	328	1056	150



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BUDGET SUBPROGRAMME: MEDICINE TRADING ACCOUNT					
GOAL 6: EFFICIENT MANAGEMENT AND GOVERNANCE					
Objectives	Indicator	2005/06: Actual	2006/07: Actual	2007/08: Actual	2007/08: APP Target
Ensure the upgrading of the pharmacy facilities to enhance service delivery.	% of pharmacy facilities in full compliance of the licensing requirements of MCC.	The plan for Upgrading the physical facilities at the medical depot to enhance service delivery progressed.	The process has commenced and will end 2006/2007. Second phase to commence in this period.	Second phase has not commenced due to poor performance of contractor. Bill of quantities was submitted to Department of Public Works before going out on tender.	Second phase to end in this period. Third phase to end in this period.
Ensure compliance with PFMA prescripts pertaining to the trading entity and effective stock management.	% value of trading stock compared to approved trading capital (Maintain the service level of the medical depot within the limits of trading capital).	75.2% Due to the cash flow problems experienced by the medical depot, the depot was not in a position to pay the suppliers within the allocated time. This resulted in the suppliers not being willing to deliver stock to the medical depot. The second factor contributing to the low service delivery was the inconsistent ordering patterns of the institutions.	83%	Service level is down to 78,11%.	Maintain 83%



**Funds allocated to sub-programmes of the Health Care Support Services Programme during 2007/08 and actual expenditure (R' 000)**

Programme	Voted for 2007/08	Total voted for programme	Actual Expenditure	% (over)/under spending
Laundries	54,536	55,505	54,051	1,454
Orthotic and Prosthetic Services	9,450	9,450	7,950	1,500
Medicine (MEDPAS) Trading Account	2,000	2,000	2,000	-
Internal Charges	(27,879)	(27,879)	(20,690)	(7,189)
<b>Total</b>	<b>38,107</b>	<b>39,076</b>	<b>43,311</b>	<b>(4,236)</b>

Source: BAS System

**Evolution of expenditure by sub-programme (R'000) in Health Care Support Services Programme**

Programme	Year -5 2002/03	Year -4 2003/04	Year 3 2004/05	Year 2 2005/06	Year 1 2006/07	Year 0 2007/08	Average annual growth (nominal)
Laundries	26,083	30,143	39,969	46,329	52,460	54,051	13.24%
Orthotic and Prosthetic Services	-	6,112	6,615	6,721	8,086	7,950	20.31%
Medicines Trading Account	1,000	-	-	2,000	2,000	2,000	0%
Internal Charges	(19,441)	(23,822)	(21,605)	(30,505)	(24,579)	(20,690)	(19.43%)
<b>Total</b>	<b>8,110</b>	<b>12,433</b>	<b>24,979</b>	<b>24,544</b>	<b>37,967</b>	<b>43,311</b>	<b>54.69%</b>

Source: BAS System



**Past expenditure trends in Health Care Support Services Programme and reconciliation of MTEF Projections with the Strategic Plan**

Expenditure	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Total	18,414	27,551	36,255	24,979	24,545	37,967	43,309	70,940	81,342	87,338
Total per person	6.45	9.64	12.69	8.74	8.59	13.29	13.33	14.31	17.95	19.19
Total per uninsured person	7.56	11.32	14.90	10.26	10.08	15.59	15.65	16.80	21.07	22.52
<b>Total capital</b>	<b>825</b>	<b>997</b>	<b>596</b>	<b>3,228</b>	<b>5,249</b>	<b>3,214</b>	<b>5,007</b>	<b>2,241</b>	<b>2,581</b>	<b>2,845</b>

Source: BAS System & Budget Statement Number 2



## PROGRAMME 8: HEALTH FACILITIES MANAGEMENT PROGRAMME

### AIM

The aim of programme 8 is to provide funding for construction and maintenance of physical facilities in the Department of Health. This ensures adequate health facilities in the province.

### PROGRAMME DESCRIPTION

Programme 8 provides funding for construction and maintenance of physical facilities in the Department of Health. This ensures adequate health facilities in the province.

#### Programme 8 has the following sub-programmes:

- Community Health Facilities
- District Hospitals
- Provincial Hospitals
- Central Hospitals
- Other Facilities

### ANALYTIC REVIEW OF PROGRAMME PERFORMANCE

- Alignment of infrastructure with Spatial Framework is underway.
- CSIR has been appointed by the Department of Public Works Roads and Transport (DPWR&T) to compile a new asset register. This will include an assessment of the conditions of all buildings and facilities, as well as associated costs for correcting the defects. This is required in terms of Government Immovable Asset Management Act (GIAMA), which will come into effect beginning of the 2008/09 financial year, but will be implemented by departments as from 01 April 2009.
- Most projects are behind schedule due to lack of monitoring by DPWR&T and municipalities that are appointed as delivery agents for clinics.
- Funds (R18 million) have been allocated for maintenance of all facilities to address major backlogs such as new electric cabling, upgrading of lifts, sewerage reticulation, replacement and refurbishment of boilers, gas piping system upgrade and general building refurbishment.
- Infrastructure projects are underway at: Elizabeth Ross, Thebe, Tokollo, Thusanong, Diamant and Katleho hospitals and also EMS facilities, laundries, the new Bloemfontein forensic mortuary, as well as the main medical depot in Bloemfontein. Contractor at the medical depot has been terminated due to poor performance; a new contractor will be appointed to correct and to complete phase 1 of the refurbishments. Phase two of the medical depot will be implemented in the next financial year
- Revitalisation projects at Boitumelo and Pelonomi hospitals are underway to improve access and extend services.
- Clinic upgrading and building is continuing with four new clinics in Lejweleputswa and extension of others will be extended for additional pharmacy space requirement in terms of applicable legislation.
- Information Communication Technology (ICT) infrastructure is now incorporated in all new construction projects as part of the contract to ensure that buildings are



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immediately useable in terms of communication and to ensure that all ICT platforms for health technology is in place.

### **Description of current public private partnerships.**

- Co-location PPP at two sites (Pelonomi and Universitas) with total number of 195 beds.
- The project is fully implemented and number of patients is increasing steadily.
- Currently the department with provincial treasury are strengthening management of the project.

### **POLICIES, PRIORITIES AND STRATEGIC GOALS**

Relevant policies and guidelines for infrastructure management are guided by the various available legislation, provincial strategic plan, departmental strategic plan (informing the Service Transformation Plan which is guided by the IHPF and construction industry regulations and requirements. All infrastructure projects are informed by the above-mentioned strategic direction. Some of the relevant regulations are highlighted below:

- The amended Health Bill
- The Mental Health Act
- The Pharmacy Act,
- The National Building Regulations

### **Key strategies to reduce maintenance backlog.**

- The main strategy is to reduce the number of new construction sites in order to prioritise maintenance and equipment backlogs.
- District maintenance managers are to be employed. Provision will be made from provincial level for maintenance of facilities. Funding will be escalated annually in order to address maintenance issues in the entire province.

### **Implementation of the required changes to the service platform linked to programme activity in health facilities.**

- Primary health care facilities will be strengthened in order to manage patients at appropriate levels of care.
- Most of the hospitals will be placed on the hospital revitalisation programme to release funding for lower level facilities.

### **Compliance with statutory obligations (for example mortuaries, pharmacies etc.)**

Money is allocated annually for refurbishment and alteration of existing facilities to ensure compliance with prescripts and the required standards.

### **Plans for the development of public private partnerships**

- Two new hospitals will be constructed at Ladybrand and Trompsburg. The possibility of a partnership with Annual Performance Plan private provider is being investigated for management of these facilities.
- Plans for maintenance of equipment will be developed in line with COHSASA standards for the institutions. Presently all maintenance funding for equipment is handled at institutional level. This is not always the best practice.



## **CHALLENGES AND CONSTRAINTS**

### **Finance and financial management (including procurement processes and decisions e.g. DPWRT, SMMEs and Tender board)**

- The use of alternative implementing agents is being considered in order to manage projects better and to avoid major cost over-runs. Some of the minor projects will be handled internally.
- Consultative meetings are held regularly to resolve planning and project management issues between the department of health and the DPWRT.

### **Human resources**

- Young professionals are being recruited to join the department. The department also plans to absorb all the bursary holders into department upon completion of their studies.

### **Support systems (including information)**

- Reliance on paper-based systems will be reduced. The department plans to concentrate more on electronic information storage and transmission. This will help reduce the time of transmission and would result in better information storage and management.

### **Policy and political considerations (such as site selection)**

- Policies of the department aim to ensure that services are taken to where the people are and to reduce duplication of services. The referral system ensures that public has access to the various levels of care and transport is supplied where there is a need.
- Maintenance budgets for equipment are located at institutional level where there are many competing priorities thus the amount needed per institution is not always enough
- The need for appropriately skilled staff is not easy to address and once trained there is no staff retention strategies for technicians.
- The lack of a suitable central workshop facility remains a stumbling block that must be overcome in the very near future to ensure that the department can help more institutions with maintenance.



**ANNUAL REPORTING ON PERFORMANCE AGAINST PROVINCIAL ANNUAL PERFORMANCE PLAN FOR 2007/08**

**Table 26: Performance against targets from 2007/08 Annual Performance Plan for the Health Facilities Management Programme**

Objectives	Indicator	2005/06: Actual	2006/07: Actual	2007/08: Actual	2007/08: APP Target
<b>BUDGET PROGRAMME: Health Facilities management</b>					
<b>GOAL 3: OPTIMAL FACILITIES AND EQUIPMENT</b>					
Hospital and PHC facilities essential maintenance programme.	Number of jobs created through minor infrastructure maintenance.	Not applicable.	Not applicable.	60/100 jobs were created for 2007/08 through minor infrastructure maintenance.	100 jobs created through minor infrastructure maintenance.
Provision of essential equipment to provincial health facilities.	Number of facilities with equipment surveys done.	Not applicable.	14 facilities with equipment surveys done.	21/25 facilities with equipment surveys done.	25 facilities with equipment surveys done.
Implementation of the provincial equipment maintenance plan.	Number of facilities with appropriate clinical engineering support at facility level.	1 facility with appropriate clinical engineering support at facility level.	11 facilities with appropriate clinical engineering support at facility level.	19 facilities with appropriate clinical engineering support at facility level.	18 facilities with appropriate clinical engineering support at facility level.



## REPORTING ON NATIONAL INDICATORS

Table 27: Performance indicators for health facilities management

Indicator	Type	2003/04	2004/05	2005/06	2006/07	2007/08	National Target 2007/08
<b>Input</b>							
1. Equitable share capital programme as percentage of total health expenditure <sup>2</sup>	%	95.83	0.74	0.91	R125m from program 8	R 221.9 million	2.5%
2. Hospitals funded on revitalisation programme	Number	4	4	4	2	3	25%
3. Expenditure on facility maintenance as percentage of total health expenditure <sup>2</sup>	%	65	0.36	0.32	2m	R 15.9 million	4%
4. Expenditure on equipment maintenance as percentage of total health expenditure <sup>2</sup>	%	No data	3.19	3.2	R5m from program 8	R10.2 million	4%
<b>Process</b>							
5. Hospitals with up to date asset register	%	20	No data	90	No data	No data	100%
6. Districts with up to date PHC asset register (excluding hospitals)	Y/N	No data	No data	Clinics 60% Mortuary 0%	No data	No data	100%
<b>Quality</b>							
7. PHC facilities with access to basic infrastructural services:							
a. Piped water	%	100	100	100	100	100	100%
b. Mains electricity	%	100	100	100	100	100	100%
c. Fixed line telephone	%	98	98	98	98	100	100%
<b>Efficiency</b>							
8. Projects completed on time (define!)	%	0	0	0	1 Katleho hospital maternity	1 EMS control centre	n/a
9. Project over budget	%	100	100	100		99	
<b>Outcome</b>							
10. Level 1 beds per 1000 uninsured population <sup>2</sup>	Value	No data	No data	0.06	0.06	0.06	0.9
11. Level 2 beds per 1000 uninsured population <sup>2</sup>	Value	No data	No data	0.08	0.08	0.08	0.9

2. By province only. Summarised from provincial Integrated Health Planning Framework (IHPF) model



## FREE STATE PROVINCE Department of Health

### PROGRAMME 8: HEALTH FACILITIES MANAGEMENT PROGRAMME

Funds allocated to sub-programmes of the Health Facilities Management

#### Programme during 2007/08 and actual expenditure 'R'000

Programme	Voted for 2007/08	Roll-overs and adjustment	Virement	Total voted for program	Actual Expenditure	% (over)/under spending
Community Health Services	-	-	-	-	-	
District Hospitals	99,584	-	14,400	113,984	134,596	(20,612)
Provincial Hospitals	80,419			80,419	76,351	4,068
Central Hospitals						
<b>Total</b>	<b>180,003</b>	<b>-</b>	<b>14,400</b>	<b>194,403</b>	<b>210,947</b>	<b>(16,544)</b>

Source: BAS System

#### Evolution of expenditure of the Health Facilities Management

##### Programme by sub-programme (R'000)

Programme	Year -3 2004/05	Year -2 2005/06	Year1 2006/07	Year 0 2007/08	Average annual growth (nominal)
Community Health Services	20,724	28,321	10,549	-	
District Hospitals	24,011	48,063	97,225	134,596	38.44%
Provincial Hospitals	48,521	94,569	49,613	76,351	53.89%
Central Hospitals	934	-			-
<b>Total</b>	<b>94,190</b>	<b>170,953</b>	<b>157,387</b>	<b>210,947</b>	<b>34.03%</b>

Source: BAS System

#### Past expenditure trends in Health Facilities Management Programme and reconciliation of MTEF Projections with the Strategic Plan

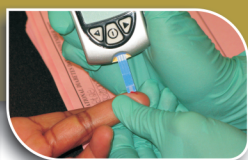
Expenditure	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Total	94,190	170,953	157,387	210,947	336,568	391,308	491,704
Total per person	32.97	59.84	55.07	62.98	117.76	136.92	172.04
Total per uninsured person	38.70	70.24	64.61	73.92	138.22	160.70	201.93
<b>Total capital</b>	<b>94,190</b>	<b>168,642</b>	<b>149,058</b>	<b>194,892</b>	<b>316,555</b>	<b>369,555</b>	<b>468,111</b>

Source: BAS System & Budget Statement Number 2



## LIST OF ACRONYMS

Abbreviation	Actual
<b><i>Supply Chain Management and other finance related</i></b>	
BBBEE	Broad Based Black Economic Empowerment
BEE	Black Economic Empowerment
EBT	Electronic Banking Transfer
EPWP	Expanded Public Works Programme
IYM	In Year Monitoring
PADS	Patient Admission Debit System
PFMA	Public Finance Management Act
PROPAC	Provincial Public Accounts Committee
RAP	Risk Assessment Plan
SCM	Supply Chain Management
SMME	Small Medium and Micro Enterprises
<b><i>Emergency Medical Services</i></b>	
EMS	Emergency Medical Services
ALS	Advanced Life Support
BLS	Basic Life Support
ECP	Emergency Care Practitioners
ILS	Intermediate Life Support
PPT	Planned Patient Transport
<b><i>Health Sciences and Training</i></b>	
ABET	Adult Basic Education and Training
CHW	Community Health Care Workers
CPD	Continuous Professional Development
CUT	Central University of Technology
FET	Further Education and Training
FSSON	Free State School of Nursing
HPT&D	Health Professionals Training and Development
HWSETA	Health and Welfare Sector Education and Training Authority
iCAM	Interactive Communication and Management System
NQF	National Qualification Framework
RPL	Recognition of Prior Learning
SANC	South African Nursing Council
UFS	University of the Free State
<b><i>Health Services</i></b>	
CHSC	Clinical Health Services Cluster
RMSC	Resource Management and Support Cluster
SHP & MSC	Strategic Health Programmes and Medical Support Cluster
DHS	District Health System
DHS	District Health Services
PHC	Primary Health Care
CHC	Community Health Centres
FPS	Forensic Pathology Services
QA	Quality Assurance
ICC	Inter Cluster Committee
ICT	Information, Communication Technology
IT	Information Technology
UAH	Universitas Academic Hospital
MMM	Mofumahadi Manapo Mopeli
FSPC	Free State Psychiatric Complex
AFP	Acute Flaccid Paralysis
ALOS	Average Length of Stay
ART	Anti-Retroviral Treatment



## FREE STATE PROVINCE

### Department of Health

AKV	Anti-Retroviral
Ass D	Assistive Delivery
BCOCC	Border Control Coordinating Committee
BFHI	Baby Friendly Hospital Initiative
BME	Benefit Medical Examination (for ex miners)
BOR	Bed Occupancy Rate
BUR	Bed Utilisation Rate
CBR	Community-based Rehabilitation
CDO	Chief Divisional Officer
CEO	Chief Executive Officer
CCMT	Comprehensive Care, Management and Treatment Plan for HIV and AIDS
CHPPIP	Children Perinatal Problem Identification Programme
CTOP	Choice on Termination of Pregnancy
DORT	Disease Outbreak Response Team
DOTS	Directly Observed Treatment Support
EAP	Employee Assistance Program
EHP	Environmental Health Practitioner
EPI	Expanded Program on Immunisation
ETR	Electronic TB Register
HAST	HIV/AIDS/STI and TB Control
HBC	Home Based Care
HTA	High Transmission Area
IEC	Information, Education and Communication
IMCI	Integrated Management of Childhood Illnesses
KSMC	Khomanani Social Mobilisation Campaign
LBW	Low birth weight
MCWH	Maternal, Child and Women's Health
MDR	Multi Drug Resistant
NMR	Neonatal mortality rate
OHS	Occupational Health and Safety
OHS & EW	Occupational Health and Employee Wellness
OSD	Occupation Specific Dispensation
OT	Occupational Therapy
PCR	Polymerase Chain Reaction
PDE	Patient Day Equivalent
PEP	Post Exposure Prophylaxis (for victims of rape)
PHO	Port Health Officers
PLWA	People Living with HIV and AIDS
PMTCT	Prevention of Mother to Child Transmission
PNMR	Perinatal mortality rate
PPIP	Perinatal Problem Identification Programme
RED	Reach Every District
SMS	Short Message Service
STI	Sexually Transmitted Infections
STRETCH	Streamlining Tasks, Rules, Expanding Treatment and Care of HIV and AIDS
TAT	Turnaround Time
TB	Tuberculosis
TOP	Termination of Pregnancy
TTO	To Take Out
VCCT	Voluntary Confidential Counselling and Testing
VEP	Victim Empowerment Programme
YFS	Youth Friendly Service



Abbreviation	Actual
<b>Planning</b>	
APP	Annual Performance Plan
DMER	District Health Expenditure Review
IHPF	Integrated Health Planning Framework
MDG	Millennium Development Goals
MTS	Modernisation of Tertiary Services
MTEF	Medium Term Expenditure Framework
STP	Service Transformation Plan
<b>Systems</b>	
BAS	Basic Accounting System
BMMS	Building Maintenance Management System
DHIS	District Health Information System
HISP	Hospital Information System
PADS	Patient Administration and Debtors System
PERSAL	Personnel and Salary System
<b>Other</b>	
CANSA	Cancer Association of South Africa
CBO	Community Based Organisation
COHSASA	The Council for Health Service Accreditation of South Africa
DPWRT	Department of Public Works, Roads and Transport
DSPN	Designated Service Provider Network
EPWP	Expanded Public Works Programme
FBO	Faith Based Organisation
GIAMA	Government Immovable Assets Management Act
ICF	International Classification of Functioning, Disability and Health
ITAC	Information Technology Advisory Committee
LG	Local Government
MRC	Medical Research Council
NCCEMD	National Committee on Confidential Enquiries into Maternal Deaths
NDoh	National Department of Health
NGO	Non Government Organisation
NPO	Non Profit Organisation
PPP	Public Private Partnership
SANDF	South African National Defence Force
SAPS	South African Police Services
SARS	South African Revenue Services
SEMDSA	Society for Endocrinology, Metabolism and Diabetes for South Africa
SITA	State Information Technology Agency
SLA	Service Level Agreement



**PART C: HUMAN RESOURCE MANAGEMENT (OVERSIGHT REPORT)**

**Table 41: Personnel costs by programme, 2007/2008**

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Average compensation of Employees cost per Employee
Programme 1: Administration	186,449	125,264	8
Programme 2: District Health Services	1,408,370	897,543	55
Programme 3: Emergency Medical Services	191,585	95,279	6
Programme 4: Provincial Hospital Services	997,336	698,152	43
Programme 5: Central Hospital Services	693,694	452,676	28
Programme 6: Health Sciences & Training	98,727	44,081	3
Programme 7: Health Care Support Services	64,001	38,749	2
Programme 8: Health Facilities Management	210,947	0	0
Theft and losses	3,548	0	0
<b>Total</b>	<b>3,833,997</b>	<b>2,351,744</b>	<b>-</b>

*Source Doc: HR Oversight Report  
& Annual Financial Statement*



**TABLE 42: Personnel costs by salary bands, 2007/2008**

	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)	217,141	9.2	88,376	2,372,395	2457
Skilled (Levels 3-5)	493,127	20.8	80,445	2,372,395	6130
Highly skilled production (Levels 6-8)	954,279	40.2	200,647	2,372,395	4756
Highly skilled supervision (Levels 9-12)	494,771	20.9	209,471	2,372,395	2362
Senior management (Levels 13-16)	91,356	3.9	697,374	2,372,395	131
Other	547	0	0	2,372,395	0
Contract (Levels 1-2)	49	0	49,000	2,372,395	1
Contract (Levels 3-5)	460	0	17,692	2,372,395	26
Contract (Levels 6-8)	29,687	1.3	116,420	2,372,395	255
Contract (Levels 9-12)	64,906	2.7	466,950	2,372,395	139
Contract (Levels 13-16)	798	0	798,000	2,372,395	1
Periodical Remuneration	5,310	0.2	16,091	2,372,395	330
Abnormal Appointment	2,438	0.1	9,598	2,372,395	254
<b>Total</b>	<b>2,354,869</b>	<b>99.3</b>	<b>139,821</b>	<b>2,372,395</b>	<b>16842</b>

Source Doc: HR Oversight Report

**Table 43: Salaries, Overtime, Home Owners Allowance and Medical Assistance by programme, 2007/2008 by Salary band**

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)
1	93421	66.7	2202	1.6	3196	2.3	6123	4.4	140231
2	615181	68	33378	3.7	21132	2.3	38070	4.1	903868
3	59250	62.7	10832	11.4	2917	3.1	5867	6.2	94687
4	467731	66.2	46378	6.6	18022	2.6	28888	4.1	706240
5	277284	62	42932	9.6	7377	1.6	16405	3.7	447160
6	28841	68.4	109	0.3	1261	3	2311	5.5	42198
7	25236	69.8	766	2.1	1882	5.2	2084	5.8	36245
<b>Total</b>	<b>1566944</b>	<b>66.1</b>	<b>136597</b>	<b>5.8</b>	<b>55803</b>	<b>2.4</b>	<b>99748</b>	<b>4.2</b>	<b>2372395</b>

Source Doc: HR Oversight Report



## FREE STATE PROVINCE Department of Health

**Table 44: Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary band, 2007/08 by Salary band**

programme	Salaries		Overtime		Home Owners Allowance		Medical Assistance		Total personnel Cost per Salary Band
	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)
lower skilled (Levels 1-2)	153975	70.6	2313	1.1	12548	5.8	10687	4.9	218018
skilled (Levels 3-5)	342758	69.3	17173	3.5	19670	4	29752	6	494808
highly skilled production (Levels 6-8)	672022	70	27199	2.8	18526	1.9	43954	4.6	960124
highly skilled supervision (Levels 9-12)	301720	60.2	62223	12.4	3761	0.7	11098	2.2	501549
senior management (Levels 13-16)	42749	45.8	12365	13.2	1027	1.1	1651	1.8	93348
other	435	79.5	0	0	11	2	33	6	547
contract (Levels 1-2)	40	81.6	1	2	3	6.1	0	0	49
contract (Levels 3-5)	403	87.2	2	0.4	3	0.6	2	0.4	462
contract (Levels 6-8)	20072	67.5	1548	5.2	93	0.3	556	1.9	29716
contract (Levels 9-12)	32839	50.5	13945	21.5	160	0.2	1030	1.6	65008
contract (Levels 13-16)	451	55.9	0	0	0	0	0	0	807
periodical Remuneration	0	0	0	0	0	0	-1	0	5520
normal Appointment	0	0	0	0	0	0	0	0	2438
<b>Total</b>	<b>1567464</b>	<b>66.1</b>	<b>136769</b>	<b>5.8</b>	<b>55802</b>	<b>2.4</b>	<b>98762</b>	<b>4.2</b>	<b>2372394</b>

Source Doc: HR Oversight Report



**TABLE 45: Employment and vacancies by programme, 31 March 2008**

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Prog 1: Administration, Permanent	1370	651	52.5	0
Prog 2: District Health Service, Permanent	11581	6729	41.9	0
Prog 2: District Health Service, Temporary	36	95	-163.9	0
Prog 3: Emergency Medical Service, Permanent	1130	924	18.2	0
Prog 4: Provincial Hospital Service, Permanent	6565	4732	27.9	0
Prog 4: Provincial Hospital Service, Temporary	17	52	-205.9	0
Prog 5: Central Hospital Service, Permanent	4542	2243	50.6	0
Prog 5: Central Hospital Service, Temporary	23	23	0	0
Prog 6: Health Sciences & Training, Permanent	1378	339	75.4	0
Prog 7: Health Care Support Service, Permanent	602	454	24.6	0
<b>TOTAL</b>	<b>27,244</b>	<b>16,242</b>	<b>40.4</b>	<b>0</b>

Source Doc: HR Oversight Report

**TABLE 46: Employment and vacancies by salary bands, 31 March 2008**

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	7055	3414	51.6	0
Skilled (Levels 3-5), Permanent	7976	5344	33	0
Highly skilled production (Levels 6-8), Permanent	9535	5664	40.6	0
Highly skilled supervision (Levels 9-12), Permanent	1993	1117	44	0
Highly skilled supervision (Levels 9-12), Temporary	75	169	-125.3	0
Senior management (Levels 13-16), Permanent	209	127	39.2	0
Other, Temporary	1	1	0	0
Contract (Levels 1-2)	1	1	0	0
Contract (Levels 3-5), Permanent	6	6	0	0
Contract (Levels 6-8), Permanent	275	275	0	0
Contract (Levels 9-12), Permanent	139	139	0	0
Contract (Levels 13-16), Permanent	1	1	0	0
<b>TOTAL</b>	<b>27266</b>	<b>16258</b>	<b>40.4</b>	<b>0</b>

Source Doc: HR Oversight Report



## FREE STATE PROVINCE Department of Health

March 2008

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Administrative related, Permanent	137	83	39.4	0
All artisans in the building metal machinery etc., Permanent	213	107	49.8	0
Ambulance and related workers, Permanent	1182	959	18.9	0
Architects town and traffic planners, Permanent	2	1	50	0
Artisan project and related superintendents, Permanent	23	13	43.5	0
Auxiliary and related workers, Permanent	1439	628	56.4	0
Building and other property caretakers, Permanent	77	61	20.8	0
Bus and heavy vehicle drivers, Permanent	82	70	14.6	0
Chemical and physical science technicians, Permanent	34	17	50	0
Chiropodists and other related workers, Permanent	1	0	100	0
Cleaners in offices workshops hospitals etc., Permanent	1259	1049	16.7	0
Client inform clerks (switchboard receipt inform clerks), Permanent	90	72	20	0
Communication and information related, Permanent	8	5	37.5	0
Community development workers, Permanent	28	17	39.3	0
Computer system designers and analysts., Permanent	22	10	54.5	0
Dental practitioners, Permanent	83	55	33.7	0
Dental practitioners, Temporary	1	3	-200	0
Dental technicians, Permanent	7	0	100	0
Dental therapy, Permanent	19	4	78.9	0
Dieticians and nutritionists, Permanent	97	62	36.1	0
Dieticians and nutritionists, Temporary	1	1	0	0
Emergency services related, Permanent	9	7	22.2	0
Engineers and related professionals, Permanent	1	0	100	0
Environmental health, Permanent	129	45	65.1	0
Finance and economics related, Permanent	58	37	36.2	0
Financial and related professionals, Permanent	101	69	31.7	0
Financial clerks and credit controllers, Permanent	105	62	41	0
Food services aids and waiters, Permanent	181	136	24.9	0
Food services workers, Permanent	7	4	42.9	0
General legal administration & rel. professionals, Permanent	5	3	40	0
Health sciences related, Permanent	441	297	32.7	0
Health sciences related, Temporary	3	3	0	0
Household and laundry workers, Permanent	1262	944	25.2	0
Household food and laundry services related, Permanent	11	7	36.4	0
Housekeepers laundry and related workers, Permanent	13	6	53.8	0
Human resources & organisat developm & relate prof, Permanent	70	47	32.9	0
Human resources clerks, Permanent	194	162	16.5	0
Human resources related, Permanent	19	17	10.5	0
Information technology related, Permanent	1	1	0	0
Inspectors of apprentices works and vehicles, Permanent	15	2	86.7	0



Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Leather workers, Permanent	3	2	33.3	0
Library mail and related clerks, Permanent	87	59	32.2	0
Light vehicle drivers, Permanent	74	55	25.7	0
Logistical support personnel, Permanent	71	40	43.7	0
Material-recording and transport clerks, Permanent	284	181	36.3	0
Medical practitioners, Permanent	770	459	40.4	0
Medical practitioners, Temporary	43	122	-183.7	0
Medical research and related professionals, Permanent	11	5	54.5	0
Medical specialists, Permanent	718	386	46.2	0
Medical specialists, Temporary	7	20	-185.7	0
Medical technicians/technologists, Permanent	131	62	52.7	0
Messengers porters and deliverers, Permanent	286	226	21	0
Motor vehicle drivers, Permanent	2	2	0	0
Natural sciences related, Permanent	7	4	42.9	0
Nursing assistants, Permanent	5584	2428	56.6	0
Occupational therapy, Permanent	104	75	27.9	0
Occupational therapy, Temporary	1	1	0	0
Optometrists and opticians, Permanent	12	3	75	0
Oral hygiene, Permanent	27	10	63	0
Other administrat & related clerks and organisers, Permanent	1784	1266	31.3	0
Other administrative policy and related officers, Permanent	244	142	41.8	0
Other information technology personnel., Permanent	83	56	32.5	0
Other occupations, Permanent	1	1	0	0
Pharmacists, Permanent	187	101	46	0
Pharmacologists pathologists & related professiona, Permanent	5	3	40	0
Physicists, Permanent	16	11	31.3	0
Physiotherapy, Permanent	110	60	45.5	0
Physiotherapy, Temporary	2	2	0	0
Professional nurse, Permanent	6170	3517	43	0
Professional nurse, Temporary	15	15	0	0
Psychologists and vocational counsellors, Permanent	56	23	58.9	0
Quantity surveyors & rela prof not class elsewhere, Permanent	1	0	100	0
Radiography, Permanent	230	165	28.3	0



## FREE STATE PROVINCE Department of Health

Critical occupations	posts	posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Radiography, Temporary	3	3	0	0
Regulatory inspectors, Permanent	5	2	60	0
Risk management and security services, Permanent	0	0	0	0
Secretaries & other keyboard operating clerks, Permanent	170	100	41.2	0
Security guards, Permanent	434	360	17.1	0
Security officers, Permanent	312	131	58	0
Senior managers, Permanent	55	41	25.5	0
Shoemakers, Permanent	8	4	50	0
Social sciences related, Permanent	37	29	21.6	0
Social work and related professionals, Permanent	54	22	59.3	0
Speech therapy and Audiology, Permanent	43	22	48.8	0
Staff nurses and pupil nurses, Permanent	662	423	36.1	0
Statisticians and related professionals, Permanent	17	9	47.1	0
Supplementary diagnostic radiographers, Permanent	50	23	54	0
Trade labourers, Permanent	832	550	33.9	0
<b>TOTAL</b>	<b>27266</b>	<b>16258</b>	<b>40.4</b>	<b>0</b>

Source Doc: HR Oversight Report



## JOB EVALUATION

**TABLE 48: Job Evaluation, 1 April 2007 to 31 March 2008**

Salary band	Number of posts	Number of Jobs Evaluated	Posts Upgraded	Posts downgraded
			Number	Number
Lower skilled (Levels 1-2)	9 883	0	0	0
Contract (Levels 1-2)	1	0	0	0
Skilled (Levels 3-5)	5 190	21	4	0
Contract (Levels 3-5)	1	0	0	0
Highly skilled production (Levels 6-8)	7 833	21	12	0
Contract (Levels 6-8)	158	0	0	0
Highly skilled supervision (Levels 9-12)	1 064	16	5	0
Contract (Levels 9-12)	140	0	0	0
Senior Management Service, Band A	72	4	0	0
Contract (Band A)	1	0	0	0
Senior Management Service, Band B	40	0	0	0
Contract (Band B)	0	1	0	0
Senior Management Service, Band C	2	0	0	0
Contract (Band C)	1	0	0	0
Senior Management Service, Band D	1	0	0	0
Contract (Band D)	0	0	0	0
Other	2	0	0	0
<b>Total</b>	<b>24 389</b>	<b>63</b>	<b>21</b>	<b>0</b>

\*Source: HR Oversight report

**TABLE 49: Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2007 to 31 March 2008**

Beneficiaries	African	Asian	Coloured	White	Total
<b>Female</b>	85	0	3	19	107
<b>Male</b>	43	1	5	25	74
<b>Total</b>	<b>128</b>	<b>1</b>	<b>8</b>	<b>44</b>	<b>181</b>
<b>Employees with a disability</b>	0	0	0	0	0

Source Doc: HR Oversight Report



## FREE STATE PROVINCE Department of Health

mined by job evaluation,

**1 April 2007 to 31 March 2008 (in terms of PSR 1.v.C.3)**

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
	A	B	C	D
None	0	0	0	0
Total Number of Employees whose salaries exceeded the level determined by job evaluation in 2007/ 08.				0
Percentage of total employment.				0.01
Total Number of Employees whose salaries exceeded the grades determined by job evaluation in 2007/ 08.				None

**TABLE 53: Annual turnover rates by salary band for the period 1 April 2007 to 31 March 2008**

Salary Band	Number of employees per band as on 1 April 2007	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2), Permanent	3829	295	149	3.9
Lower skilled (Levels 1-2), Temporary	6	0	7	116.7
Skilled (Levels 3-5), Permanent	4959	248	238	4.8
Skilled (Levels 3-5), Temporary	37	0	6	16.2
Highly skilled production (Levels 6-8), Permanent	5734	257	335	5.8
Highly skilled production (Levels 6-8), Temporary	96	2	14	14.6
Highly skilled supervision (Levels 9-12), Permanent	1062	104	107	10.1
Highly skilled supervision (Levels 9-12), Temporary	30	0	8	26.7
Senior Management Service Band A, Permanent	58	1	5	8.6
Senior Management Service Band B, Permanent	41	0	2	4.9
Senior Management Service Band C, Permanent	18	1	0	0
Other, Permanent	5	0	1	20
Other, Temporary	0	3	2	0
Contract (Levels 3-5), Permanent	3	26	2	66.7
Contract (Levels 6-8), Permanent	172	245	102	59.3
Contract (Levels 9-12), Permanent	168	63	81	48.2
Contract (Band A), Permanent	1	0	0	0
Contract (Band C), Permanent	1	0	0	0
<b>TOTAL</b>	<b>16220</b>	<b>1245</b>	<b>1059</b>	<b>6.5</b>

Source Doc: HR Oversight Report



**TABLE 54: Annual turnover rates by critical occupation for the period 1 April 2007 to 31 March 2008**

Occupation:	Number of employees per occupation as on 1 April 2007	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative related, Permanent	85	6	2	2.4
All artisans in the building metal machinery etc., Permanent	112	5	9	8
Ambulance and related workers, Permanent	971	58	32	3.3
Artisan project and related superintendents, Permanent	12	0	0	0
Auxiliary and related workers, Permanent	577	39	30	5.2
Building and other property caretakers, Permanent	59	9	3	5.1
Bus and heavy vehicle drivers, Permanent	69	4	5	7.2
Chemical and physical science technicians, Permanent	27	0	6	22.2
Cleaners in offices workshops hospitals etc., Permanent	1135	39	51	4.5
Client inform clerks(switchb receipt inform clerks), Permanent	76	1	3	3.9
Communication and information related, Permanent	2	0	0	0
Community development workers, Permanent	15	1	0	0
Computer system designers and analysts., Permanent	10	0	1	10
Dental practitioners, Permanent	55	22	20	36.4
Dental practitioners, Temporary	4	0	0	0
Dental therapy, Permanent	3	0	0	0
Dieticians and nutritionists, Permanent	46	18	13	28.3
Dieticians and nutritionists, Temporary	1	0	0	0
Emergency services related, Permanent	2	1	0	0
Environmental health, Permanent	41	35	22	53.7
Finance and economics related, Permanent	35	4	2	5.7
Financial and related professionals, Permanent	56	5	1	1.8
Financial clerks and credit controllers, Permanent	73	5	4	5.5
Food services aids and waiters, Permanent	142	12	12	8.5
Food services workers, Permanent	3	1	0	0
General legal administration & rel. professionals, Permanent	2	1	0	0
Health sciences related, Permanent	280	17	18	6.4
Health sciences related, Temporary	2	0	0	0



## FREE STATE PROVINCE Department of Health

Occupation:	Occupation as on 1 April 2007	Transfers into the department	Terminations and transfers out of the department	Turnover rate
Household and laundry workers, Permanent	1001	42	64	6.4
Household food and laundry services related, Permanent	5	0	0	0
Housekeepers laundry and related workers, Permanent	6	0	0	0
Human resources & organisat developm & relate prof. Permanent	40	1	0	0
Human resources clerks, Permanent	146	1	10	6.8
Human resources related, Permanent	14	0	1	7.1
Information technology related, Permanent	2	1	0	0
Inspectors of apprentices works and vehicles, Permanent	2	0	0	0
Language practitioners interpreters & other commun, Permanent	11	3	0	0
Leather workers, Permanent	2	0	0	0
Library mail and related clerks, Permanent	57	3	3	5.3
Light vehicle drivers, Permanent	56	4	3	5.4
Logistical support personnel, Permanent	37	1	3	8.1
Material-recording and transport clerks, Permanent	179	8	7	3.9
Medical practitioners, Permanent	478	163	89	18.6
Medical practitioners, Temporary	118	0	27	22.9
Medical research and related professionals, Permanent	7	0	0	0
Medical specialists, Permanent	350	19	49	14
Medical specialists, Temporary	26	0	7	26.9
Medical technicians/technologists, Permanent	59	14	12	20.3
Messengers porters and deliverers, Permanent	240	14	9	3.8
Motor vehicle drivers, Permanent	4	0	0	0
Natural sciences related, Permanent	4	0	0	0
Nursing assistants, Permanent	2512	117	103	4.1
Occupational therapy, Permanent	78	30	20	25.6
Occupational therapy, Temporary	1	0	0	0
Optometrists and opticians, Permanent	7	3	1	14.3
Oral hygiene, Permanent	10	1	0	0
Other administrat & related clerks and organisers, Permanent	1177	93	36	3.1
Other administrative policy and related officers, Permanent	137	4	11	8



Occupation:	Number of employees per occupation as on 1 April 2007	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Other information technology personnel, Permanent	52	4	1	1.9
Other occupations, Permanent	2	0	0	0
Pharmacists, Permanent	85	50	38	44.7
Pharmacologists pathologists & related professional, Permanent	3	0	0	0
Physicists, Permanent	13	4	3	23.1
Physicists, Temporary	1	0	0	0
Physiotherapy, Permanent	62	22	27	43.5
Physiotherapy, Temporary	2	0	0	0
Professional nurse, Permanent	3441	188	163	4.7
Professional nurse, Temporary	17	0	2	11.8
Psychologists and vocational counsellors, Permanent	30	11	9	30
Quantity surveyors & related professions not classified elsewhere, Permanent	1	0	1	100
Radiography, Permanent	162	30	30	18.5
Radiography, Temporary	2	2	0	0
Rank: Unknown, Permanent	1	0	0	0
Regulatory inspectors, Permanent	3	1	1	33.3
Risk management and security services, Permanent	3	0	0	0
Secretaries & other keyboard operating clerks, Permanent	120	6	8	6.7
Security guards, Permanent	365	14	18	4.9
Security officers, Permanent	131	16	3	2.3
Senior managers, Permanent	20	3	2	10
Shoemakers, Permanent	5	0	0	0
Social sciences related, Permanent	24	1	2	8.3
Social sciences supplementary workers, Permanent	2	0	0	0
Social work and related professionals, Permanent	10	5	0	0
Speech therapy and audiology, Permanent	17	8	6	35.5
Staff nurses and pupil nurses, Permanent	422	22	26	6.2
Statisticians and related professionals, Permanent	11	0	0	0
Student nurse, Permanent	28	8	3	10.7
Supplementary diagnostic radiographers, Permanent	24	1	1	4.2
Trade labourers, Permanent	500	43	26	5.2
Translators and air traffic communications, Permanent	0	1	0	0
<b>TOTAL</b>	<b>16220</b>	<b>1245</b>	<b>1059</b>	<b>6.5</b>

Source Doc: HR Oversight Report



## FREE STATE PROVINCE Department of Health

Termination Type	Number	Percentage of Total Resignations	Percentage of Total Employment	Total	Total Employment
Death, Permanent	119	11.2	0.7	1059	16220
Resignation, Permanent	503	47.5	3.1	1059	16220
Resignation, Temporary	22	2.1	0.1	1059	16220
Expiry of contract, Permanent	145	13.7	0.9	1059	16220
Expiry of contract, Temporary	13	1.2	0.1	1059	16220
Discharged due to ill health, Permanent	24	2.3	0.1	1059	16220
Dismissal-misconduct, Permanent	16	1.5	0.1	1059	16220
Retirement, Permanent	208	19.6	1.3	1059	16220
Retirement, Temporary	1	0.1	0	1059	16220
Other, Permanent	8	0.8	0	1059	16220
<b>TOTAL</b>	<b>1059</b>	<b>100</b>	<b>6.5</b>	<b>1059</b>	<b>16220</b>

**Resignations as % of Employment**  
**6.5%**

Source Doc: HR Oversight Report

**Table 56: Promotions by critical occupation**

Occupation:	Employees as at 1 April 2007	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
			<i>B/A8100</i>		<i>D/A100</i>
Administrative related	85	18	21.2	47	55.3
All artisans in the building metal machinery etc.	112	5	4.5	90	80.4
Ambulance and related workers	971	61	6.3	561	57.8
Artisan project and related superintendents	12	2	16.7	7	58.3
Auxiliary and related workers	577	12	2.1	316	54.8
Building and other property caretakers	59	0	0	38	64.4
Bus and heavy vehicle drivers	69	0	0	62	89.9
Chemical and physical science technicians	27	0	0	13	48.1
Cleaners in offices workshops hospitals etc.	1135	1	0.1	675	59.5
Client inform clerks (switchboard recept inform clerks)	76	0	0	58	76.3
Communication and information related	2	0	0	1	50
Community development workers	15	0	0	8	53.3
Computer system designers and analysts.	10	1	10	4	40
Dental practitioners	59	1	1.7	12	20.3
Dental therapy	3	0	0	2	66.7
Dieticians and nutritionists	47	3	6.4	13	27.7
Emergency services related	2	6	300	1	50
Environmental health	41	1	2.4	18	43.9
Finance and economics related	35	5	14.3	18	51.4



Occupation:	Employees as at 1 April 2007	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
Financial and related professionals	56	5	8.9	32	57.1
Financial clerks and credit controllers	73	0	0	43	58.9
Food services aids and waiters	142	1	0.7	106	74.6
Food services workers	3	0	0	2	66.7
General legal administration & rel. professionals	2	0	0	2	100
Health sciences related	282	23	8.2	194	68.8
Household and laundry workers	1001	2	0.2	582	58.1
Household food and laundry services related	5	2	40	3	60
Housekeepers laundry and related workers	6	0	0	4	66.7
Human resources & organisat developm & relate prof	40	5	12.5	19	47.5
Human resources clerk	146	10	6.8	89	61
Human resources related	14	2	14.3	10	71.4
Information technology related	2	0	0	0	0
Inspectors of apprentices works and vehicles	2	0	0	2	100
Language practitioners interpreters & other commun	11	1	9.1	8	72.7
Leather workers	2	0	0	1	50
Library mail and related clerks	57	4	7	42	73.7
Light vehicle drivers	56	1	1.8	41	73.2
Logistical support personnel	37	3	8.1	21	56.8
Material-recording and transport clerks	179	5	2.8	109	60.9
Medical practitioners	596	30	5	50	8.4
Medical research and related professionals	7	0	0	1	14.3
Medical specialists	376	35	9.3	153	40.7
Medical technicians/technologists	59	6	10.2	16	27.1
Messengers porters and deliverers	240	0	0	128	53.3
Motor vehicle drivers	4	0	0	3	75
Natural sciences related	4	0	0	1	25
Nursing assistants	2512	33	1.3	1720	68.5
Occupational therapy	79	2	2.5	21	26.6
Optometrists and opticians	7	0	0	3	42.9
Oral hygiene	10	1	10	5	50
Other administrat & related clerks and organisers	1177	40	3.4	712	60.5
Other administrative policy and related officers	137	16	11.7	71	51.8



## FREE STATE PROVINCE

### Department of Health

Occupation:	Employees as at 1 April 2007	Promotions to another 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
Other information technology personnel.	52	1	1.9	10	19.2
Other occupations	2	0	0	0	0
Pharmacists	85	8	9.4	17	20
Pharmacologists pathologists & related professionals	3	0	0	2	66.7
Physicists	14	0	0	9	64.3
Physiotherapy	64	3	4.7	17	26.6
Professional nurse	3458	146	4.2	2181	63.1
Psychologists and vocational counsellors	30	1	3.3	10	33.3
Quantity surveyors & related professions not classified elsewhere	1	1	100	0	0
Radiography	164	4	2.4	82	50
Rank: Unknown	1	0	0	0	0
Regulatory inspectors	3	0	0	3	100
Risk management and security services	3	0	0	3	100
Secretaries & other keyboard operating clerks	120	5	4.2	65	54.2
Security guards	365	0	0	185	50.7
Security officers	131	2	1.5	65	49.6
Senior managers	20	20	100	13	65
Shoemakers	5	0	0	3	60
Social sciences related	24	5	20.8	19	79.2
Social sciences supplementary workers	2	0	0	1	50
Social work and related professionals	10	1	10	6	60
Speech therapy and audiology	17	1	5.9	3	17.6
Staff nurses and pupil nurses	422	17	4	215	50.9
Statisticians and related professionals	11	0	0	6	54.5
Student nurse	28	0	0	12	42.9
Supplementary diagnostic radiographers	24	0	0	20	83.3
Trade labourers	500	6	1.2	318	63.6
<b>TOTAL</b>	<b>16220</b>	<b>564</b>	<b>3.5</b>	<b>9403</b>	<b>58</b>

Source Doc: HR Oversight Report



**Table 57 – Promotions by salary band**

Salary Band	Employees 1 April 2007	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	3829	5	0.1	1987	51.9
Lower skilled (Levels 1-2), Temporary	6	0	0	0	0
Skilled (Levels 3-5), Permanent	4959	157	3.2	3527	71.1
Skilled (Levels 3-5), Temporary	37	0	0	0	0
Highly skilled production (Levels 6-8), Permanent	5734	239	4.2	3290	57.4
Highly skilled production (Levels 6-8), Temporary	96	0	0	5	5.2
Highly skilled supervision (Levels 9-12), Permanent	1062	125	11.8	526	49.5
Highly skilled supervision (Levels 9-12), Temporary	30	0	0	0	0
Senior management (Levels 13-16), Permanent	117	27	23.1	52	44.4
Other, Temporary	5	0	0	0	0
Contract (Levels 3-5), Permanent	3	1	33.3	0	0
Contract (Levels 6-8), Permanent	172	1	0.6	1	0.6
Contract (Levels 9-12), Permanent	168	9	5.4	14	8.3
Contract (Levels 13-16), Permanent	2	0	0	1	50
<b>TOTAL</b>	<b>16220</b>	<b>564</b>	<b>3.5</b>	<b>9403</b>	<b>58</b>

Source Doc: HR Oversight Report



## FREE STATE PROVINCE Department of Health

sabilities) in each of the

following occupational bands as on 31 March 2008

Occupational Bands	1. Male				2. Female				3.
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Top Management, Permanent	3	0	0	0	1	0	0	0	4
Senior Management, Permanent	22	1	3	72	12	1	0	16	127
Professionally qualified and experienced specialists and mid-management	352	16	12	278	1044	76	3	541	2322
Professionally qualified and experienced specialists and mid-management, Temporary	9	0	0	15	2	0	0	7	33
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	810	66	4	199	2472	265	8	812	4636
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Temporary	28	2	4	38	6	0	0	29	107
Semi-skilled and discretionary decision making, Permanent	1694	80	2	167	3589	228	2	351	6113
Semi-skilled and discretionary decision making, Temporary	1	0	0	10	0	0	0	3	14
Unskilled and defined decision making, Permanent	791	23	0	20	1581	39	0	10	2464
Unskilled and defined decision making, Temporary	1	0	0	15	0	0	0	0	16
Contract (Top Management), Permanent	0	0	0	1	0	0	0	0	1
Contract (Professionally qualified), Permanent	49	3	3	32	23	4	0	25	139
Contract (Skilled technical), Permanent	43	2	0	31	48	3	0	128	255
Contract (Semi-skilled), Permanent	2	0	0	0	12	1	0	11	26
Contract (Semi-skilled), Permanent	0	0	0	0	0	0	0	1	1
<b>TOTAL</b>	<b>3805</b>	<b>193</b>	<b>28</b>	<b>878</b>	<b>8790</b>	<b>617</b>	<b>13</b>	<b>1934</b>	<b>16258</b>

Source Doc: HR Oversight Report



**Table 60: Recruitment for the period 1 April 2007 to 31 March 2008**

Occupational Bands	4. Male				5. Female				6. Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	0	0	0	0	1
Senior Management, Permanent	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management, Permanent	34	0	2	25	22	1	0	20	104
Professionally qualified and experienced specialists and mid-management, Temporary	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	45	4	0	6	150	18	0	34	257
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Temporary	0	0	0	0	0	0	0	2	2
Semi-skilled and discretionary decision making, Permanent	88	0	0	3	140	8	0	9	248
Semi-skilled and discretionary decision making, Temporary	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making, Permanent	88	5	0	0	191	6	0	5	295
Unskilled and defined decision making, Temporary	0	0	0	0	0	0	0	0	0
Not Available, Temporary	0	0	0	0	0	0	0	0	0
Contract (Professionally qualified), Permanent	10	1	0	23	11	2	0	16	63
Contract (Skilled technical), Permanent	39	2	0	30	51	3	0	120	245
Contract (Semi-skilled), Permanent	2	0	0	0	12	1	0	11	26
Contract (Unskilled), Permanent	0	0	0	2	0	0	0	1	3
<b>TOTAL</b>	<b>308</b>	<b>12</b>	<b>2</b>	<b>89</b>	<b>577</b>	<b>39</b>	<b>0</b>	<b>218</b>	<b>1245</b>

Source Doc: HR Oversight Report



## FREE STATE PROVINCE Department of Health

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	3	0	0	3	1	0	0	0	7
Senior Management, Permanent	19	0	0	32	11	1	0	9	27
Professionally qualified and experienced specialists and mid-management, Permanent	128	14	9	153	156	13	1	179	653
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents, Permanent	569	39	1	125	2152	160	5	482	3533
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents, Temporary	0	0	0	0	0	0	0	5	5
Semi-skilled and discretionary decision making, Permanent	978	68	2	126	2015	187	2	317	3695
Unskilled and defined decision making, Permanent	506	9	0	13	1431	19	0	14	1992
Contract (Top Management), Permanent	0	0	0	1	0	0	0	0	1
Contract (Professionally qualified), Permanent	10	0	1	7	2	0	0	3	23
Contract (Skilled technical), Permanent	1	0	0	0	1	0	0	0	2
Contract (Semi-skilled), Permanent	0	0	0	0	1	0	0	0	1
<b>Total</b>	<b>2214</b>	<b>130</b>	<b>13</b>	<b>460</b>	<b>5770</b>	<b>380</b>	<b>8</b>	<b>1009</b>	<b>9984</b>

Source Doc: HR Oversight Report

**Table 62: Terminations for the period 1 April 2007 to 31 March 2008**

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management, Permanent	1	0	0	5	1	0	0	0	7
Professionally qualified and experienced specialists and mid-management, Permanent	11	3	0	42	15	0	0	36	107
Professionally qualified and experienced specialists and mid-management, Temporary	3	0	0	3	1	0	0	1	8
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	50	6	0	27	121	12	2	117	335
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Temporary	3	0	1	7	1	0	0	2	14
Semi-skilled and discretionary decision making, Permanent	58	8	0	8	127	6	0	31	238
Semi-skilled and discretionary decision making, Temporary	0	0	1	5	0	0	0	0	6
Unskilled and defined decision making, Permanent	35	1	0	2	107	1	0	3	149
Unskilled and defined decision making, Temporary	0	0	0	7	0	0	0	0	7



Not Available, Temporary	1	0	0	0	0	0	0	0	1
Contract (Professionally qualified), Permanent	15	0	3	31	10	0	2	20	81
Contract (Skilled technical), Permanent	8	0	0	8	24	1	3	58	102
Contract (Semi-skilled), Permanent	0	0	0	0	2	0	0	0	2
Contract (Unskilled), Permanent	0	0	0	2	0	0	0	0	2
<b>TOTAL</b>	<b>185</b>	<b>18</b>	<b>5</b>	<b>147</b>	<b>409</b>	<b>20</b>	<b>7</b>	<b>268</b>	<b>1059</b>

Source Doc: HR Oversight Report

**Table 63: Disciplinary action for the period 1 April 2007 to 31 March 2008**

	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Verbal Warning	11	0	0	0	15	0	0	1	27
Written Warning	14	1	0	3	17	0	0	0	35
Final Written Warning	340	12	1	7	575	12	0	8	955
Suspension w/o pay	24	1	1	5	7	0	0	2	40
Demotion	2	0	0	0	0	0	0	0	2
Dismissal	23	4	0	2	2	0	0	0	31
<b>Total</b>	<b>414</b>	<b>18</b>	<b>2</b>	<b>17</b>	<b>616</b>	<b>12</b>	<b>0</b>	<b>11</b>	<b>1090</b>

Source Doc: Own Database

**Table 64: Skills development for the period 1 April 2007 to 31 March 2008**

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	16	0	1	5	10	1	0	4	37
Professionals	605	31	21	506	1493	98	6	666	3426
Technicians and associate professionals	588	24	2	80	1967	140	2	581	3384
Clerks	485	38	3	60	766	128	4	387	1881
Service and sales workers	1331	41	3	86	2450	188	1	199	4299
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	33	11	84	1	12	2	0	0	25
Plant and machine operators and assemblers	118	4	0	5	2	0	0	0	129
Elementary occupations Labourers and related workers	615	40	0	52	2101	61	0	98	2967
<b>Total</b>	<b>3791</b>	<b>189</b>	<b>114</b>	<b>795</b>	<b>8801</b>	<b>618</b>	<b>13</b>	<b>1935</b>	<b>16148</b>



## FREE STATE PROVINCE Department of Health

				R'000)	Average cost per employee
African, Female	3936	8779	44.8	16,378	4,161
African, Male	1333	3793	35.1	6,100	4,576
Asian, Female	5	13	38.5	32	6,419
Asian, Male	9	28	32.1	112	12,423
Coloured, Female	364	617	59	1,761	4,837
Coloured, Male	87	193	45.1	439	5,041
White, Female	1121	1930	58.1	7,112	6,344
White, Male	416	871	47.8	4,538	10,909
Employees with disability	22	34	64.7	68	3,088
<b>Total</b>	<b>7293</b>	<b>16258</b>	<b>44.9</b>	<b>36,540</b>	<b>5,010</b>

Source Doc: HR Oversight Report

**TABLE 66 – Performance Rewards by salary bands for personnel below Senior Management Service, 1 April 2007 to 31 March 2008**

Salary Bands	Beneficiary Profile				
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee (R)
Lower skilled (Levels 1-2)	904	2457	36.8	1,951	2,158
Skilled (Levels 3-5)	2578	6130	42.1	7,221	2,801
Highly skilled production (Levels 6-8)	2108	4756	44.3	10,951	5,195
Highly skilled supervision (Levels 9-12)	1577	2362	66.8	13,144	8,335
Other	1	1	100	3	3,000
Contract (Levels 3-5)	1	26	3.8	3	3,000
Contract (Levels 6-8)	1	255	0.4	7	7,000
Contract (Levels 9-12)	28	139	20.1	407	14,536
Periodical Remuneration	0	330	0	0	0
Abnormal Appointment	0	254	0	0	0
<b>TOTAL</b>	<b>7198</b>	<b>16710</b>	<b>43.1</b>	<b>33,687</b>	<b>4,680</b>

Source Doc: HR Oversight Report



**TABLE 65 – Performance Rewards by race, gender, and disability, 1 April 2007 to 31 March 2008**

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Information technology related	1	2	50	20	20,000
Inspectors of apprentices works and vehicles	2	2	100	21	10,500
Language practitioners interpreters & other commun	7	14	50	43	6,143
Leather workers	0	3	0	0	0
Library mail and related clerks	46	63	73	158	3,435
Light vehicle drivers	35	58	60.3	84	2,400
Logistical support personnel	24	40	60	152	6,333
Material-recording and transport clerks	129	182	70.9	509	3,946
Medical practitioners	78	606	12.9	1,073	13,756
Medical research and related professionals	4	7	57.1	49	12,250
Medical specialists	210	381	55.1	3,741	17,814
Medical technicians/technologists	21	61	34.4	126	6,000
Messengers porters and deliverers	140	222	63.1	316	2,257
Motor vehicle drivers	3	4	75	8	2,667
Natural sciences related	1	2	50	15	15,000
Nursing assistants	984	2421	40.6	2,978	3,026
Occupational therapy	17	80	21.3	98	5,765
Optometrists and opticians	2	7	28.6	35	17,500
Oral hygiene	2	10	20	11	5,500
Other administrat & related clerks and organisers	630	1229	51.3	2,335	3,706
Other administrative policy and related officers	92	138	66.7	551	5,989
Other information technology personnel.	14	55	25.5	79	5,643
Other occupations	0	1	0	0	0
Pharmacists	12	98	12.2	102	8,500
Pharmacologists pathologists & related professiona	3	3	100	65	21,667
Physicists	7	15	46.7	67	9,571
Physiotherapy	17	59	28.8	98	5,765
Professional nurse	1514	3301	45.9	9,274	6,125
Psychologists and vocational counsellors	4	25	16	49	12,250
Quantity surveyors & rela prof not class elsewhere	1	1	100	14	14,000
Radiography	88	164	53.7	561	6,375
Rank: Unknown	0	26	0	0	0
Regulatory inspectors	2	1	200	10	5,000



## FREE STATE PROVINCE Department of Health

	Number of beneficiaries	Number of employees	% of total workforce by occupation	Cost	
				Total Cost (R'000)	Average cost per employee
Risk management and security services	3	3	100	19	6,333
Road Workers	1	1	100	2	2,000
Secretaries & other keyboard operating clerks	85	105	81	376	4,424
Security guards	102	352	29	223	2,186
Security officers	34	137	24.8	104	3,059
Senior managers	26	34	76.5	913	35,115
Shoemakers	0	5	0	0	0
Social sciences related	17	31	54.8	157	9,235
Social sciences supplementary workers	0	1	0	0	0
Social work and related professionals	4	19	21.1	32	8,000
Speech therapy and audiology	4	19	21.1	26	6,500
Staff nurses and pupil nurses	164	421	39	617	3,762
Statisticians and related professionals	7	11	63.6	48	6,857
Student nurse	0	22	0	0	0
Supplementary diagnostic radiographers	15	22	68.2	47	3,133
Trade labourers	252	540	46.7	572	2,270
<b>TOTAL</b>	<b>7293</b>	<b>16258</b>	<b>44.9</b>	<b>36542</b>	<b>5,011</b>

Source Doc: HR Oversight Report

**TABLE 68: Performance related rewards (cash bonus), by salary band, for Senior Management Service 1 April 2007 to 31 March 2008**

Salary Band	7. Beneficiary Profile			Total Cost (R'000)	Average cost per employee
	Number of beneficiaries	Total Employment	% of total employment		
Band A	55	88	62.5	1,447	2,631
Band B	35	39	89.7	1,184	3,383
Band C	4	4	100	196	4,900
Band D	1	1	100	26	2,600
<b>Total</b>	<b>95</b>	<b>132</b>	<b>72</b>	<b>2,853</b>	<b>3003.2</b>

Source Doc: HR Oversight Report



**TABLE 69: Foreign Workers, 1 April 2007 to 31 March 2008, by salary band**

Salary Band	1 April 2007		31 March 2008		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1-2)	4	2.7	2	1.2	-2	-16.7
Skilled (Levels 3-5)	4	2.7	4	2.5	0	0
Highly skilled production (Levels 6-8)	30	20	23	14.2	-7	-58.3
Highly skilled supervision (Levels 9-12)	40	26.7	47	29	7	58.3
Senior management (Levels 13-16)	6	4	7	4.3	1	8.3
Contract (Levels 6-8)	6	4	8	4.9	2	16.7
Contract (Levels 9-12)	59	39.3	68	42	9	75
Periodical Remuneration	1	0.7	3	1.9	2	16.7
<b>TOTAL</b>	<b>150</b>	<b>100</b>	<b>162</b>	<b>100</b>	<b>12</b>	<b>100</b>

Source Doc: HR Oversight Report

**TABLE 70: Foreign Worker, 1 April 2007 to 31 March 2008, by major occupation**

Major Occupation	1 April 2007		31 March 2008		Change	
	Number	% of total	Number	% of total	Number	% change
Elementary occupations	3	2	2	1.2	-1	-8.3
Professionals and managers	142	94.7	154	95.1	12	100
Service workers	0	0	1	0.6	1	8.3
Social natural technical and medical sciences + sup	5	3.3	5	3.1	0	0
<b>Total</b>	<b>150</b>	<b>100</b>	<b>162</b>	<b>100</b>	<b>12</b>	<b>100</b>

Source Doc: HR Oversight Report

**TABLE 71: Sick leave, 1 January 2007 to 31 December 2007**

Salary Band	Total days	% days with medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	13836.5	96.3	1536	14.6	9	2318
Skilled (Levels 3-5)	34773.5	96.1	4018	38.3	9	7627
Contract (Levels 3-5)	30337	93.6	3605	34.3	8	12138
Highly skilled production (Levels 6-8)	9254.5	94	1164	11.1	8	5967
Contract (Levels 6-8)	265	93.2	29	0.3	9	523
Highly skilled supervision (Levels 9-12)	10	100	1	0	10	2
Contract (Levels 9-12)	520	81.5	86	0.8	6	191
Senior management (Levels 13-16)	340	85.6	60	0.6	6	238
Contract (Levels 13-16)	15	100	1	0	15	42
<b>Total</b>	<b>89351.5</b>	<b>94.9</b>	<b>10500</b>	<b>100</b>	<b>9</b>	<b>29046</b>

\*Source: Oversight report 2007/2008 on the Vulindlela and PERSAL System



## FREE STATE PROVINCE Department of Health

2007 to 31 December 2007

Salary Band	Total days taken	% days with medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	2019	100	44	16.9	46	337
Skilled (Levels 3-5)	4214	100	100	38.5	42	948
Highly skilled production (Levels 6-8)	4398	100	84	32.3	52	1716
Highly skilled supervision (Levels 9-12)	1465	100	30	11.5	49	923
Senior management (Levels 13-16)	71	100	2	0.8	36	154
<b>Total</b>	<b>12167</b>	<b>100</b>	<b>260</b>	<b>100</b>	<b>47</b>	<b>4078</b>

Source Doc: HR Oversight Report

**TABLE 73 – Annual Leave, 1 January 2007 to 31 December 2007**

Salary Bands	Total days taken	Average days per employee	Number of employees who took leave
Lower skilled (Levels 1-2)	49301.88	21	2348
Skilled Levels (3-5)	136241.86	23	5884
Highly skilled production (Levels 6-8)	134632.84	26	5109
Highly skilled supervision (Levels 9-12)	55586.12	26	2121
Senior management (Levels 13-16)	2779	21	131
Contract (Levels 1-2)	9	9	1
Contract (Levels 3-5)	35	12	3
Contract (Levels 6-8)	2043	16	129
Contract (Levels 9-12)	2377.52	17	142
Contract (Levels 13-16)	10	5	2
Not Available	4	4	1
<b>Total</b>	<b>383020.22</b>	<b>24</b>	<b>15871</b>

Source Doc: HR Oversight Report

**TABLE 74: Capped leave, 1 January 2007 to 31 December 2007**

Salary Bands	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2007
Lower skilled (Levels 1-2)	315	4	31
Skilled Levels 3-5)	1015	4	30
Highly skilled production (Levels 6-8)	1867	6	40
Highly skilled supervision (Levels 9-12)	953	7	47
Senior management (Levels 13-16)	34	6	54
<b>Total</b>	<b>4184</b>	<b>5</b>	<b>37</b>

Source Doc: HR Oversight Report



**TABLE 75: Leave payouts for the period 1 April 2007 to 31 March 2008**

REASON	Total Amount (R'000)	Number of Employees	Average payment per employee
Leave payout for 2006/07 due to non-utilisation of leave for the previous cycle	19 720.71	5	3944.14
Capped leave payouts on termination of service for 2006/07: Capped Leave	3 327 824.65	190	17514.86
Capped leave payouts on termination of service for 2006/07: New Leave	988 812.23	190	5204.27
Capped leave payouts on termination of service for 2006/07: Ill Health: Capped Leave	168 500.30	12	14041.69
Capped leave payouts on termination of service for 2006/07: Ill Health: New Leave	86 198.10		7183.17
Capped leave payouts on termination of service for 2006/07: Death: Capped Leave	1 147 490.85	83	13825.19
Capped leave payouts on termination of service for 2006/07: Death: New Leave	313 128.57	103	3040.08
Current leave payout on termination of service for 2006/07	1 994 016.52	497	4012.10
<b>Total</b>	<b>8 045 691.93</b>	<b>807</b>	<b>9969.87</b>

Source Doc: HR Oversight Report

**TABLE 76: 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
Theatres	Risk Assessment Infection Control Programme Norms & Standards on occupational & environmental health
Patient Care(Including wards)	Risk Assessment Infection Control Programme Norms & Standards on occupational & environmental health
Casualties	Risk Assessment Infection Control Programme Norms & Standards on occupational & environmental health
Mortuary	Risk Assessment Infection Control Programme Norms & Standards on occupational & environmental health
Laundry	Risk Assessment Infection Control Programme Norms & Standards on occupational & environmental health



## FREE STATE PROVINCE Department of Health

(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.	Yes		Ms MCL Mabitle – General Manager: Human Resources
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	Yes		The Occupational Health and Employee Wellness Program is dedicated to promoting health and well-being to the employees of the department. At corporate level there are 14 employees doing the work. There is one Occupational Health unit per hospital & an Occupational Health co-ordinator per district but Lejweleputswa and Motheo districts still need to appoint coordinators.
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.	Yes		The Occupational Health & Employee Wellness Program has the following key elements: <b>a) HIV &amp; AIDS Management</b> (Prevention, Treatment Care & Support, Human Rights and Access to Justice, Research, Monitoring and Evaluation; <b>b) Health &amp; Productivity Management</b> (Disease Management –Chronic Disease Occupational Mental, Injury On Duty and Incapacity due to Ill Health, Occupational Health, Education and Promotion, information, Knowledge and Productivity Management; <b>c) Occupational Hygiene &amp; Safety Management</b> ( Health Risk Assessment and Management, Work Place Ergonomics, Work Place Design and Special Facilities, SHEQ; <b>d) Wellness Management</b> (Work Life Balance, Organisational Wellness, Individual Wellness: Psycho-social, Individual Wellness: Physical).
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.	Yes		The following members form part of the Provincial Committee: <ul style="list-style-type: none"> <li>Mr KD Moeketsi (Employee Assistance Program)</li> <li>Me B Thaele (Employee Wellness Program Senior Clinical Psychologist)</li> <li>Me Q Oliphant (Occupational Health)</li> <li>I Seate (HIV and AIDS / ARV)</li> <li>Me DM Tsekane (HIV and AIDS Coordinator)</li> <li>Mr J Ribeiro (Southern Free State Region)</li> <li>Me Moleta ( Bongani Hospital)</li> <li>Me M. Makhaola (Eastern Free State Region)</li> <li>Me M.A Mere (FS Psychiatric Complex)</li> <li>Me T Moreosele (Corporate Communication)</li> <li>Nomination from Labour Organization is still pending.</li> <li>Me B.J. Rametse ( Employee Assistance Program- Social Worker)</li> </ul> Six regional/specialist hospitals have established committees. Out of five districts, three have established committees.
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.	Yes		Status quo remains - the following policies are still being used: <ul style="list-style-type: none"> <li>Occupational Health Policy.</li> <li>HIV &amp; AIDS in the Workplace Policy</li> <li>Employee Assistance Programme Policy</li> </ul>



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.	Yes	<p>HIV and AIDS Workplace Policy protects officials from unfair discrimination. The key elements of these measures are as follows:</p> <ul style="list-style-type: none"> <li>▪ awareness and wellness programme,</li> <li>▪ employment equity,</li> <li>▪ fair labour practices and</li> <li>▪ Voluntary Counselling and Testing.</li> </ul>
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	Yes	<p>VCT is encouraged. During the VCT week at the corporate office about 80 of employees used the opportunity and had the VCT. The Universitas Hospital also has had VCT arranged for its employees. Plans are being made to extend the service to other institutions in the province and to encourage the employees to undergo the VCT program.</p>
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	Yes	<ul style="list-style-type: none"> <li>▪ Number of health promotion structures functioning at appropriate levels.</li> <li>▪ Number of community projects implemented.</li> <li>▪ Number of settings-approach projects implemented.</li> <li>▪ Number of districts implementing the 5 priority health promotion campaigns (nutrition, substance abuse, tobacco and physical activity).</li> <li>▪ Number of districts implementing context-specific plans for the promotion of a healthy lifestyle.</li> <li>▪ Number of districts with diabetes campaigns to initiate and maintain the diabetes movement.</li> <li>▪ % of institutions implementing institutional marketing plans.</li> </ul>

Source Document: Own Database



## FREE STATE PROVINCE Department of Health

Outcomes of disciplinary hearings	Number	% of total
-----------------------------------	--------	------------

### Subject Matter

1. Resolution 1 of 2007: Amendments to the PHWSBC Constitution
2. Resolution 2 of 2007: Agreement on the Operation of Chambers
3. Resolution 3 of 2007: Occupation Specific Dispensation

If there were no agreements, then use the following table

Total collective agreements	None
-----------------------------	------

**TABLE 79: Misconduct and disciplinary hearings finalised, April 2007 to 31 March 2008**

Outcomes of disciplinary hearings	Number	% of total
Precautionary Suspensions	18	1.62%
Verbal warning	27	2.43%
Written warning	35	3.15%
Final written warning	955	86.19%
Suspended without pay	40	3.61%
Fine	0	0%
Demotion	2	0.18%
Dismissal	31	2.79%
Not guilty	0	0%
Other	0	0%
Case withdrawn	0	0%
<b>Total</b>	<b>1108</b>	<b>100%</b>

If there were no disciplinary hearings, then use the following table

Disciplinary hearings –2007/ 08	None
---------------------------------	------

Source Doc: HR Oversight Report

**TABLE 80: Types of misconduct addressed at disciplinary hearings 01 April 2007 to 31 March 2008**

Type of misconduct	Number	% of total
Abscondment	4	0.34%
Absent without approval	39	3.32%
Abuse of Government vehicles	3	0.26%
Abuse of state property	3	0.26%
Abusive behaviour	1	0.09%
Acting beyond delegations	1	0.09%
Alcohol Abuse	4	0.34%
Assault	7	0.60%
Damage to state property	17	1.45%
Disgraceful Conduct	29	2.47%
Dishonesty	1	0.09%
Driving Govt vehicle under the influence of alcohol.	1	0.09%
Failure to submit financial disclosure	8	0.68%
Falsification of documentation	1	0.09%
Fighting on duty	4	0.34%
Fraud and corruption	52	4.42%
Insolent Behaviour	1	0.09%
Insubordination	5	0.43%
Late Coming	1	0.09%
Misappropriation of state property/ resources	9	0.77%
Non-compliance (PDP etc.)	22	1.87%
Participating in industrial action	866	73.58%
	16	1.36%



Poor work performance	1	0.09%
Receiving child grant illegally	1	0.09%
Sexual harassment	4	0.34%
Tardy/negligence in performance of duties	59	5.02%
Theft	19	1.62%
Unauthorised possession of Government property.	1	0.09%
<b>Total</b>	<b>1177</b>	<b>100%</b>

Source Doc: HR Oversight Report

**TABLE 81: Grievances lodged for the period 1 April 2007 to 31 March 2008**

	Number	% of Total
Number of grievances resolved	50	58.14%
Number of grievances not resolved	29	33.72%
Dismissed	3	3.49%
Withdrawn	4	4.66%
<b>Total number of grievances lodged</b>	<b>86</b>	<b>100%</b>

Source Doc: HR Oversight Report

**TABLE 82: Disputes lodged with Councils for the period 1 April 2007 to 31 March 2008**

	Number	% of Total
Number of disputes dismissed	20	19.23%
Number of disputes upheld	4	3.85%
Number of disputes withdrawn	24	23.08%
Number of disputes settled	13	12.50%
Others	43	41.35%
<b>Total number of disputes lodged</b>	<b>104</b>	<b>100%</b>

Source Doc: HR Oversight Report

**TABLE 83: Strike actions for the period 1 April 2007 to 31 March 2008**

<b>Total number of person working days lost</b>	
Total cost (R'000) of working days lost	15 232.59
Amount (R'000) recovered as a result of no work no pay	R1,947,486.64

Source Doc: HR Oversight Report

**Table 84: Precautionary suspensions for the period 1 April 2007 to 31 March 2008**

Number of people suspended	18
Number of people whose suspension exceeded 30 days	17
Average number of days suspended	1620
Cost (R'000) of suspensions	R271,701.72

Source Doc: HR Oversight Report



## FREE STATE PROVINCE Department of Health

Occupational Categories	Gender	Number of employees as at 1 April 2007	Training needs identified at start of reporting period	
			Skills Programmes & other short courses	Total
Legislators, senior officials and managers	Female	1416	1080	1088
	Male	929	885	898
Professionals	Female	3327	755	1596
	Male	2629	627	1460
Technicians and associate professionals	Female	6585	1601	5551
	Male	4876	1226	2084
Clerks	Female	1963	1602	2857
	Male	1326	1235	1812
Service and sales workers	Female	1184	37	2902
	Male	1114	27	1528
Skilled agriculture and fishery workers	Female	0	0	0
	Male	0	0	0
Craft and related trades workers	Female	1	14	15
	Male	133	11	144
Plant and machine operators and assemblers	Female	2	12	14
	Male	125	12	137
Elementary occupations Labourers and related workers	Female	1510	3920	6274
	Male	896	3049	3750
Sub Total	Female	11276	9021	20297
	Male	4741	7117	11858
<b>Total</b>		<b>44033</b>	<b>16138</b>	<b>32155</b>

Source Doc: HR Oversight Report

**Table 86: Training provided 1 April 2007 to 31 March 2008**

Occupational Categories	Gender	Number of employees as at 1 April 2007	Training provided within reporting period	
			Skills Programmes & other short courses	Total
Legislators, senior officials and managers	Female	112	244	252
	Male	51	111	124
Professionals	Female	258	742	1583
	Male	111	154	987
Technicians and associate professionals	Female	334	1417	5367
	Male	84	276	1134
Clerks	Female	24	174	1429
	Male	41	155	732
Service and sales workers	Female	2865	19	2884
	Male	1501	5	1506
Skilled agriculture and fishery workers	Female	0	0	0
	Male	0	0	0
Craft and related trades workers	Female	1	0	1
	Male	133	0	133
Plant and machine operators and assemblers	Female	2	0	2
	Male	125	0	125
Elementary occupations	Female	212	586	2940
	Male	97	374	1075
Sub Total	Female	3808	3182	14458
	Male	2143	1075	5816
<b>Total</b>		<b>5951</b>	<b>4257</b>	<b>20274</b>

Source Doc: HR Oversight Report



FREE STATE DEPARTMENT OF HEALTH  
VOTE 5  
ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2008

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## FREE STATE PROVINCE Department of Health

### VOLUME 5

#### REPORT OF THE ACCOUNTING OFFICER for the year ended 31 March 2008

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

The 2008 financial year yet again proved to be challenging for the Department to stay within a budget to the amount of R3,744 billion which was appropriated. An average increase of just more than 10% over the last 2 years in various levels of patient numbers added to some unfunded mandates and impacted negatively on the financial sustainability of the Department.

The Department projected at the start of 2008 a deficit of R90 million on the allocated budget. The Occupational Specific Dispensation (OSD) of professional nurses which was implemented during the year added to the over expenditure of R89,597 million in 2008 which is 2,4 % of the total budget. The over expenditure occurred mainly in those programs which cater for the rendering of clinical health services namely:

District Health Services  
Provincial hospital services and  
Central hospital services

These three programs over-spent by an amount of R 88,240 million, which was partly off-set by under-expenditure in some of the non-clinical programs such as Administration which under spent by R7,961 million and Health Sciences and Training which under-spent by R12,673 million. An amount of R30,994 million was over-spent on infrastructure projects due to the fast tracking of some projects and a shortfall in the funding of the new Bloemfontein mortuary. A detailed explanation on all over- and under-expenditure is compiled in the notes to the appropriation statement on page 189.

Access to health facilities improved over the last three years in the Department and increased activity in the institutions put pressure on the current budget of these institutions. The Department implemented various stringent measures during the year to reduce the deficit on the budget. The measures introduced took account of the fact that health services to patients were not to be jeopardized. These measures assisted the Department to limit the over expenditure to 2,4 % of the budget.

##### Revenue

With regard to revenue, the department collected R 83,645 million, which is 10% above target.

#### 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.

The following services were rendered to the people of the Free State, during 2007/08

- Primary Health Care facilities treated and provided health care services to 5,866,232 patients.



**FREE STATE DEPARTMENT OF HEALTH  
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**REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2008**

- District hospitals treated 151,245 Casualties; 290,898 Outpatients; and 112,227 Inpatients.
- Regional Hospitals: 107,984 Casualties; 211,917 Outpatients; and 100,353 Inpatients were seen.
- Tertiary Institutions in the Free State treated 452 Casualties; 175,331 Outpatients and 28,684 Inpatients.
- The Free State Psychiatric Complex treated 10,963 Outpatients and 5,289 Inpatients.
- EMS handled 276,385 calls and 986,172 planned patients where transported during the 2007/08 financial year.

## **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.

An adjusted UPFS for H3 patients was implemented on the 1st July 2007. The adjustment in the UPFS tariffs resulted in a 4.9% increase in the tariffs for H3 patients.

### **2.3.1 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 and medical consumables to the amount of R 91,194 million (2006/2007: R 92,501 million). This amount is the value on hand in the main stores, calculated on a weighted average costing method.

## **3. CAPACITY CONSTRAINTS**

The Department was for the past few years faced with an increased demand for its services on the one hand and insufficient resources to provide these resources 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.

Despite this, we have been cautious as a department and have tried to limit the over-expenditure that would normally accompany such demand increases. This has caused us to ration and



## FREE STATE PROVINCE Department of Health

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### REPORT OF THE ACCOUNTING OFFICER for the year ended 31 March 2008

prioritise the cases that are managed at our hospitals and clinics. This has the natural consequences of under-serving the population resulting in backlogs of specific service areas. In all these approaches, we have however tried not to compromise the quality of the services that we render at our facilities.

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 accumulated over the years that the department is faced with and is attempting to address with 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. 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: (Accumulative figure from start of project)

Project/Programme	Progress to date (from the start of the project)	Budget	Expenditure	Variance
Human and Organisational Development	<p>Experience gained by the FSDOH in Learnerships for previously unemployed people is being replicated for Learnerships for DOH staff focussing on three priority areas that were identified in the FS Growth and Development Strategy and which form part of the DOH Workplace Skills Plan (Engineering, Technical and IT and Financial management and Accounting.</p> <ul style="list-style-type: none"> <li>• 23 Employees started engineering</li> </ul>	R 4 010 000	R 2 259 392	R 1 750 608



FREE STATE DEPARTMENT OF HEALTH  
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	<p>2006 and are progressing well. 25 Learnership students were nominated for Epidemiology and the course started in September 2006. 27 Officials have undergone training in IT technology Financial Management courses will commence in the new financial year. Training of 8 Advanced Midwifery students commenced in January 2007.</p>			
	<ul style="list-style-type: none"> <li>District Road-shows on the Traditional Health Practitioners Act and the FS Initiations Schools Act were held in all 5 districts. The act has since been repealed by the Constitutional court (September 2006)</li> <li>Training of governance Structures will take place in three (3) phases of which the first phase (research) has been completed and phase 2 development of a training manual is in process.</li> </ul>			
Implementation of CHC complex	<ul style="list-style-type: none"> <li>Installation of Closed circuit water recycling system at three clinics in Botshabelo to replace existing septic tanks which regularly overflowed raw sewerage into the streets resulting in a direct Public Health hazard.</li> <li>Erection of emergency water tanks at two 24 hour clinics in Botshabelo</li> <li>Agency nurses contracted to release Advanced Midwifery</li> </ul>	R 2 194 708	R 1 888 039	R 306 669



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	students who started their training in January 2007.			
NGO Capacity Building	<ul style="list-style-type: none"> <li>Sustaining NGO/FSDOH partnership programme focusing on management systems aimed at strengthening consortiums and training NGO's on integrated Management of HIV/Aids (including ARV treatment)</li> </ul>	R 1 357 050	R 700 281	R 656 769
<b>Total</b>		<b>R 7 561 758</b>	<b>R 4 847 712</b>	<b>R 2 714 046</b>

An amount of 360,000 Euros was requested from the RDP account for the 2007/2008 financial year. The remaining balance as at 31 March 2008 of R 2,714,046 will be utilized in the 2008/2009 year as approved by the donor. The donor granted extension of the project beyond the 2007/2008 financial year. The total accumulated interest as at 31 March 2008 amounted to R 655,769. The interest will increase the budgeted amount of R 7,561,758 when paid out.

#### 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. Extension was granted until 31 Dec 2009. No cost extension was requested for this project.

Belgium Government Aid	Progress to date	Budget	Expenditure	Variance
	Catering: Meetings and workshops with National, Provincial and District	R 355 705	R 306 661	R 49 044
	Marketing and Gifts & Promotional Items	R 45 674	R 45 674	-
	Consultants & Specialised Services	R 60 000	R 49 999	R 10 001
	Stationary & Printing	R 76 933	R 827	R 76 106
	Travel & Subsistence	R 528 634	R 474 591	R 54 043
	Computer Equipment	R 20 251	-	R 20 251
<b>Total</b>		<b>R 1 087 197</b>	<b>R 877 752</b>	<b>R 209 445</b>

#### 4.3 Flemish Government for VCCT

The inception date for implementation in 2003 was set for September 2003 however, the project never commenced due to the fact that the Project Manager was not yet appointed. The inception date was postponed to 1st June 2005 with the closing date of 31st May 2007. The



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only released in December 2005, second tranche was only release 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 on the progress of the project. Extension was granted for the project until 30 June 2008, but due to the delay in the building of the Sasolburg Clinic extension for the project until the end of the 2008/09 financial year will be requested.

<b>Flemish Government Aid</b>	<b>Objectives</b>	<b>Budget</b>	<b>Expenditure</b>	<b>Variance</b>
	<p>Upgrade 10 clinics to accommodate Voluntary Counselling and Testing (VCCT) in underserved areas (3 clinics are completed, 4 more clinics will be upgraded this financial year. Due to the escalation of costs we will be able to upgrade only 7 clinics out of the original 10 clinics).</p> <p>Train 100 Lay Counsellors on VCCT in the underserved areas of Free State (80 Lay Counsellors are trained &amp; 20 more will be train for Xhariep in June 2007).</p> <p>Train 100 Teachers/educators as VCCT Volunteer Counsellors in the underserved areas (80 teachers trained as Volunteer Counsellors for the 4 districts; 20 more to be trained at Thabo Mofutsanyana).</p> <p>Employ and train Mentors to cover the five districts (5 Mentors for the district still to be employed, the submission is with the MEC for signature).</p> <p>Identify 6-8 Youth Centre, conduct baseline study on youth centres and train 26 youths as lay counsellors (8 centres were identified; baseline study done; ground breakers trained on VCCT).</p> <p>Quality control, monitoring and evaluation of lay counsellors and VCCT sites (ongoing process).</p>	R 2 748 061	R 1 372 239	R 1 375 882
<b>Total</b>		<b>R 2 748 061</b>	<b>R 1 372 239</b>	<b>R 1 375 882</b>



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#### 4.4 EU PDPHCP Donor Fund

EU PDPHCP DONOR FUND	Objectives	Budget	Expenditure	Variance
	Developing and strengthening of co-operation between Non-Government Organisations and the Department of Health.	R 10 000 000	R 1 441 000	R 8 559 000
<b>Total</b>		<b>R 10 000 000</b>	<b>R 1 441 000</b>	<b>R 8 559 000</b>

#### 4.5 GLOBAL AIDS, TB & MALARIA donor fund

The GLOBAL AIDS, TB & MALARIA project started in January 2006 and the project will be running until 31 December 2011. Phase 1 of the project was completed in the 2007/08 financial year and phase 2 of the project will be running in the 2008/09 financial year.

GLOBAL AIDS, TB & MALARIA DONOR FUND	Objectives	Budget	Expenditure	Variance
	Developing and strengthening the TB and HIV & AIDS data monitoring at district level in the Free State Province.	R 2 542 694	R 971 507	R 1 571 187
<b>Total</b>		<b>R 2 542 694</b>	<b>R 971 507</b>	<b>R 1 571 187</b>

#### 5. TRADING ENTITIES: CENTRAL MEDICAL TRADING ACCOUNT

The aim of the Central Medical Trading Account 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 R5,594 million for 2007/08 financial year, compares to the net profit of R2,851 million (restated) in 2006/07 financial year.

#### 6. ORGANISATIONS TO WHOM TRANSFER PAYMENTS HAVE BEEN MADE

Transfer payments are made mainly to local authorities for the rendering of primary health care services (refer to **note 7** and **Annexure 1 E** for more details).

Service level agreements were signed with all the local municipalities and accountability arrangements of each entity, were evaluated in January 2004.



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**7. PUBLIC PRIVATE PARTNERSHIPS (PPP)**

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.

To date, a successful co-location of the Public Private Partnership between Universitas and Pelonomi hospitals and CHM, has already improved facilities in both hospitals (refer to **note 29** 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 CEOs to enable them to manage the appointment of health professionals more effectively.

The Department reviewed 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.

**10. NEW / PROPOSED ACTIVITIES**

No new/proposed activities planned for the 2008/09 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.

**Establishment of asset management units and 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. Monthly meetings are arranged with Corporate Office to ensure compliance in the management of assets.

**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



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- Performance
- Disposal
- Accounting

**12. EVENTS AFTER THE REPORTING DATE**

No events of significance have been identified after the reporting date.

**13. PERFORMANCE INFORMATION**

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

During March 2006 Management reviewed the Annual Performance Plan to develop the plan for 2007/08.

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 2007/2008 National Health System Priorities (NHS) for 2007/2008.
- 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 starting 2008/09.

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**

<b><u>PROPAC RESOLUTION</u></b>	<b><u>SUBJECT</u></b>	<b><u>PROGRESS ON FINDINGS AS AT 31 MARCH 2008</u></b>
39/2007 (66/2005)	Staff Debt	The Executive Managers have been furnished with the recommendations on prevention of personnel debt and are responsible to report on a monthly basis on



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		<p>personnel debt.</p> <p>Provincial Treasury received copies of Debt Movement and Age Analysis.</p>
39/2007 (79/2005)	Paragraph 4. Employee Assisted Programme (EAP sub-directorate)	<p>The staff establishment has not changed much. The changes that occurred are that, at provincial office a post of manager has been created though not yet funded. Currently there is an acting manager for the programme of Occupational Health and Employee Wellness. The District Health Services have created five assistant manager posts for employee wellness programme, one per district. The posts will filled in the 2008/09 financial year.</p>
39/2007 (30/2006)	Paragraph.1 Interest on Patient Debt	<p>A submission has been compiled and submitted to Provincial Treasury for further handling with National Treasury.</p>
39/2007 (30/2006)	Par. 3 Expenditure and Payments)	<p>The Department can confirm that the source documents, valid invoices for claims to payments amounting to <b>R4 646 927</b> are available for audit purposes. Due to high volume it is not possible to make copies of the above-mentioned payments.</p> <p><b>Procurement of Computer equipment amounting to</b></p> <p><b>R1 390 762</b> <b>Order no.014478</b> <b>Order no.015334</b></p> <p><b>Order no. 013891</b> <b>Order no. 013785</b> <b>Order no. 013468</b></p> <p>Documents to confirm the quoted prices from SITA were obtained.</p> <p><b>The copies of the above mentioned orders were submitted to Provincial Treasury.</b></p> <p>Document attached from Contract Manager: SITA to indicate that at the stage of purchasing the computers SITA was in the</p>



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		<p>process to implement the website. No prices were loaded but specifications were prescribed as well as the approved vendors.</p> <p>Each user was requested to contact the vendors applicable to their area for a "quotation" according to the specification as prescribed in the RT285/1. Therefore only one quotation was obtained. At that stage the approved prices were updated on the website on certain intervals and it is not possible to trace the old information back without the intervention from SITA.</p> <p>All heads of institutions and offices were informed with regard to seriousness of this issue in Health Finance Circular no.3 of 2007 (<b>Propac Resolution no.49 of Supporting documentation</b>)</p>
39/2007 (30/2006)	Par.5 Paediatric Complex at Tokollo Hospital	The Staff Establishment at Tokollo Hospital was approved, but not entirely funded. Due to Budget constraints the Department will not be able to fill these posts in the next financial year, therefore the Paediatric Complex will also not be functioning during the next financial year.
39/2007 (53/2006)	Performance Agreements of Accounting Officers of Municipalities and Provincial Departments	The copies of the Performance Agreements of the CFO as well as the General Managers: Financial Management and Supply Chain Management were submitted to Provincial Treasury.
43/2007	Par. 3 Capital Assets	The Department issued Health Supply Chain Circular no. 14 of 2007 which can be regarded as an action plan whereby Heads of Institutions/Offices are clearly instructed of certain steps that need to be taken with regard to Capital Assets. Heads of Institutions/Offices within the Department are therefore compelled to report before or on the 15 <sup>th</sup> of each month. <b>A copy of the circular was sent to Provincial Treasury.</b>
43/2007	Par.4 Irregular Expenditure	The Loss Control procedures have not been finalized as yet, therefore the Department cannot provide a report to the Committee pertaining to each case.



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		handling all these cases. As soon as it is being finalized a detailed report will be furnished.
43/2007	Par.5 Anti-retroviral drugs	<p><b>THE AVIALABILITY OF ANTRI-RETROVIRAL DRUGS (ARVs) AT ANTI-RETROVIRAL TREATMENT (ART) SITES IN THE PROVINCE</b></p> <p>There is a difference between an Assessment ARVs site and a Treatment ARVs site. ARVs are kept at the Treatment sites and supplied to the Assessment sites per patient per order. All the <b>Treatment sites in the province are adequately stocked with ARVs at all times.</b></p> <p>This is made possible by the fact that they are encouraged to keep a 3 months buffer stock of ARVs.</p> <p>There are pharmacists at the Treatment sites who monitor the stock levels on a continuous basis and order whenever necessary.</p> <p>The stock at the Medical Depot and at the Central Dispensing Pharmacy is kept at appropriate levels by the pharmacists working there.</p> <p>They may experience problems in replenishing due to supplier challenges, but this is rare. The Chief Pharmacist employed in the ART program facilitates the smooth running of the ARVs demand and supply chain throughout the province.</p> <p>Except for the already dispensed ARVs, no ARVs stock is kept at Assessment sites as they are not accredited to do so. This is what probably happened at the <b>Winnie Mandela Clinic</b> (J-clinic at Botshabelo), an assessment site, where a shortage was apparently experienced. This problem has since been resolved.</p> <p><b>THE AVAILABILITY OF CHRONIC MEDICATION AT CLINICS IN THE PROVINCE</b></p>



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		<p>Chronic conditions' medication is not handled by the Medical Depot differently from other medication in terms of the supply thereof to the facilities (clinics and hospitals) in the province.</p> <p>Hereunder find a work plan of how this problem is being addressed not only to make this medication available but also to prevent its shortage in future. With effect from <b>January 2008</b> the following measures are going to be implemented:</p> <p>A register to monitor the frequency of orders received from all the facilities, which register will be used to monitor and stabilize ordering patterns by the facilities. This will influence the stock holding at the Medical Depot, decreasing the chances of facilities running out of stock.</p> <p>Emergency orders will be handled in such a way that the normal workflow at the Medical Depot is not disrupted</p> <p>Performance of drug supply companies will be closely monitored and penalties levied against them because there are contracts/service-level agreements/tenders between the Department and them in place. Terms and conditions of these will be enforced.</p> <p>In February and March 2008 Community Service Pharmacists at facilities were oriented on the processes and systems used by the Medical Depot to order medication. This will improve communication between the Medical Depot and the facilities.</p>
43/2007	Par.6 Medical Waste	<p><b><u>MOTHEO DISTRICT</u></b></p> <p><b><u>CHALLENGES</u></b> Lack / Absence of suitable storage facilities Budget Constraints</p> <p><b><u>CURRENT SITUATION</u></b> Different Clinics use sluice rooms for waste storage</p>



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		<p>to guidelines e.g. not rodent proof and lockable</p> <p><b><u>SOLUTIONS TO ALL DISTRICTS</u></b> Construction of Storage Facilities which conform to the following Waste storage facility guidelines:</p> <ul style="list-style-type: none"> <li>• Storage facility shall be clearly demarcated and marked with bio hazard warning signs</li> <li>• Should be lockable to prevent unauthorized entry Shall have sufficient capacity to store waste according to unique waste generation profile</li> <li>• Should be a sheltered enclosure to protect waste from adverse weather conditions i.e. sun, rain and other elements?</li> <li>• Should be well ventilated to combat potential odour nuisance.</li> <li>• The Floor should be impermeable, slip resistant and easy to clean.</li> <li>• Should be suitably equipped with proximal water source to facilitate cleaning as well as good drainage that connects to the waste water drainage system</li> <li>• Should be well lit</li> <li>• The person in charge of managing the waste storage should be suitably provided with necessary Personal Protective Equipment (PPE)</li> </ul> <p><b>*Storage facilities should be considered in the planning as part of upgrading of buildings.</b></p> <p><b><u>IMPLEMENTATION DATE</u></b> 2009/10 financial year Earmarked for future building projects</p> <p><b><u>XHARIEP DISTRICT</u></b></p> <p><b><u>CHALLENGES</u></b> No adequate storage facilities for different medical waste (Human medical waste) Budget Constraints</p> <p><b><u>CURRENT SITUATION</u></b> Some Clinics use sluice rooms, old</p>
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		<p>incinerator storage cages and others use unsecured rooms for waste storage.</p> <p>Hospital storage facilities do not conform to guide lines e.g. not rodent proof and some waste is stored in the mortuaries because of lack of separate fridges.</p> <p><b><u>SOLUTIONS TO ALL DISTRICTS</u></b> As above</p> <p><b><u>IMPLEMENTATION DATE</u></b> 2009/10 Financial year Earmarked for future building projects</p> <p><b><u>THABO MOFUTSANYANA DISTRICT</u></b></p> <p><b><u>CHALLENGES</u></b> Availability of freezers for storing specibins for placentas and human body part. Lack/Absence of suitable storage facilities. MHCW disposal from private generators e.g. GPs.</p> <p><b><u>CURRENT SITUATION</u></b> Different Clinics use sluice, waiting rooms and any other available space for waste storage.</p> <p>Hospitals store waste in the old incinerators, which are no longer operating. These facilities do not conform to guidelines e. g. not rodent proof.</p> <p>Survey undertaken at their surgeries revealed that some of them still dispose their waste at the hospital incinerators. Very few were complying before the survey</p> <p><b><u>SOLUTIONS TO ALL DISTRICTS</u></b> As above</p> <p><b><u>IMPLEMENTATION DATE</u></b> 2009/10 Financial year Earmarked for future building projects Monitoring of MHCW disposal from private generators e.g. GPs is continuous.</p>
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		<p><b><u>FEZILE DABI DISTRICT</u></b></p> <p><b><u>CHALLENGES</u></b> Lack / Absence of suitable storage facilities Budget Constraints</p> <p><b><u>CURRENT SITUATION</u></b> Clinics currently have various problems regarding storage such as the usage of sluice rooms, public toilets, consulting rooms, and kitchens for waste storage.</p> <p>Hospitals do have storage but do not conform to waste storage facilities guidelines</p> <p><b><u>SOLUTIONS TO ALL DISTRICTS</u></b> As above</p> <p><b><u>IMPLEMENTATION DATE</u></b> 2009/10 Financial year Earmarked for future building projects</p> <p><b><u>LEJWELEPUTSWA DISTRICT</u></b></p> <p><b><u>CHALLENGES</u></b> Lack / Absence of suitable storage facilities Budget Constraints</p> <p><b><u>CURRENT SITUATION</u></b> Hospitals do have storage but do not conform to waste storage facilities guidelines. Most Clinics use sluice rooms for waste storage Use incinerator area to store medical waste</p> <p><b><u>SOLUTIONS TO ALL DISTRICTS</u></b> As above</p> <p><b><u>IMPLEMENTATION DATE</u></b> 2009/10 Financial year Earmarked for future building projects</p>
43/2007	Par.7 Paediatric Complex at Tokollo and Elizabeth Ross Hospitals	The staff Establishment at Tokollo Hospital was approved, but not funded as yet. Due to Budget constraints the Department will not be able to fill these posts in the next financial year. Therefore the Paediatric Complex will also not be functioning during



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		<p>the next financial year.</p> <p>The contractors are finished with rectifying of defects, busy now with final fittings e.g. sluice rooms, pipes. Anticipated handover will be end of June 2008.</p>
43/2007	Par.8 Declaration of interest	The Department can confirm that a register has been implemented in the Office of the Head of Department.
58/2007	Irregular Expenditure	This Resolution is responded to in Resolution 43 par.4.
60/2007	Payments made in Advance	<p>The payments referred to was for material paid offsite for the construction of the new mortuary in Bloemfontein.</p> <p>This is believed to have been an isolated incidence. The Department will however ensure that this does not happen again.</p> <p>However it should be mentioned that in cases of payment for registration fees for training courses, payments are made in advance in line with Treasury guideline that registration fees be paid separate from T&amp;S claims.</p>
62/2007	Performance Bonuses	<p>In normal circumstances the Free State Department of Health does not allow for performance bonuses to be paid out if there is no performance plan or assessment conducted.</p> <p>However for the 2006 / 2007 cycle there was a problem in the completion of performance agreements for some of the SMS members. The vacancy rate on corporate level was extremely high, such that at one stage the HOD post was vacant and the 3 Executive Manager posts and more than 80% of the General Manager posts were vacant. Officials had to act in these vacancies and at some instances they had to act even two levels higher. What made the situation worse was that some even rotated in acting capacity.</p> <p>It was therefore not possible for them to</p>



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		<p>since they themselves were also their own supervisors during their acting periods. It was in this regard that the MEC: Health was approached for approval to grant performance awards based on the agreements of the previous year.</p> <p>It must be mentioned that this was a unique situation and the situation has now stabilized. The relevant posts have been filled and performance plans have been drafted.</p>
63/2007	Budget Control	<p><b>All the under mentioned copies of the circulars are forwarded to Provincial Treasury.</b></p> <p><b>Delegations</b></p> <p>The Head of the Department declare that:</p> <ul style="list-style-type: none"> <li>❖ All delegations have been done in writing- HFC 23 of 2007.</li> <li>❖ Value for money was realized</li> <li>❖ The funds were utilized in good faith and to the benefit of the department. There were no losses experienced in the incurrence of this expenditure.</li> </ul> <p><b>Shifting of Funds</b></p> <p>The Budget Management sub-directorate created a fund shift request form for the department. This form is completed with each fund shift that is being requested and an expenditure commitment report (not older than two days before the request) must be attached to the fund shift request to indicate if funds are available on the FORIP. The form was circulated together with Health Finance Circular no 41 of 2004. After the capturing of the fund shift this request form must be kept for auditing purposes.</p> <p><b>Adjustment Budgets</b></p> <p>After written approval for additional funding is received from Provincial Treasury, the additional funds are captured on BAS</p>



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		<p>system. Then the relevant directorates are informed of the additional money and the FORIP's where the funds are captured.</p> <p><b>Budget Over Ridings</b></p> <p>When budget overriding occurs the Department writes a submission to Provincial Treasury for approval as indicated in Health Finance Circular no 25 of 2007.</p> <p>The copies of the required delegations are in place within the Department and it has been forwarded to Provincial Treasury.</p>
64/2007	Delegations	<p>Financial Delegations: Health Finance Circular no.23 of 2007.</p> <p>Supply Chain Management (SCM) Delegations: Health Supply Chain Management (SCM) Circular no.19 of 2007.</p> <p>Human Resource Delegations: Health Human Resource Management Circular no.108 of 2007.</p>

#### Approval

The annual financial statement set out on pages 22 to 125 have been approved by the Accounting Officer.

PROF. P.L. RAMELA  
HEAD: HEALTH

Date: \_\_\_\_\_



REPORT OF THE AUDITOR-GENERAL TO THE FREE STATE LEGISLATURE ON  
THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF VOTE 5:  
DEPARTMENT OF HEALTH FOR THE YEAR ENDED 31 MARCH 2008

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Department of Health which comprise the appropriation statement, statement of financial position as at 31 March 2008, 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 notes, as set out on pages 189 to 249.

Responsibility of the accounting officer for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting determined by the National Treasury as set out in accounting policy note 1.1 and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act, 2007 (Act No. 1 of 2007) (DoRA). This responsibility includes:
  - designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
  - selecting and applying appropriate accounting policies
  - making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 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 the International Standards on Auditing and *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on 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.



6. An audit also includes evaluating the:
  - appropriateness of accounting policies used
  - reasonableness of accounting estimates made by management
  - overall presentation of the financial statements.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### **Basis of accounting**

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

#### **Basis for qualified opinion**

##### **Capital assets**

9. It was not possible to obtain adequate audit assurance as to the existence, valuation, completeness and rights of capital assets the value of which is disclosed as R616 153 000 as disclosed in note 31 and 32 in the financial statements due to the following:
  - a) Documentation could not be provided to support the valuation of assets to the value of R66 992 549. As a result of the lack of supporting documents it was also not possible to obtain sufficient, appropriate audit evidence as to the rights of the related assets.
  - b) Although the department prepared a reconciliation of the valuation of capital assets as disclosed in the financial statements to the value as contained in its LOGIS asset registers a difference of R1 248 000 existed that could not be adequately explained.
  - c) Assets that have been disposed of or otherwise written off to the value of R838 549 were still included in the asset registers of the department and in the financial statement disclosure.
  - d) A significant number of assets were identified that were either not included in the asset register or not adequately referenced to the asset register by means of a unique identification number that could be used to trace the asset. It was not possible to reliably determine the value of these omitted assets.
  - e) Assets with a disclosed cost price of R15 735 656 could not be physically verified.
  - f) Internal asset transfers within the department to the value of R846 419 was incorrectly reflected as disposals and was deducted from the value of assets as disclosed, resulting in the understatement of capital assets by the indicated amount.



- g) A detailed listing of adjustments effected to the balance of capital assets that agrees to the disclosed amount of R28 223 000 could not be provided. It was thus not possible to obtain sufficient, appropriate audit evidence as to the accuracy and occurrence of the adjustments effected.

Due to the lack of supporting documentation, I was unable to perform alternative audit procedures. Accordingly, I was not able to determine whether any adjustments might have been necessary to the amounts disclosed in note 31 and 32 to the financial statements for capital assets.

#### **Receivables for departmental revenue**

10. It was not possible to gain adequate audit assurance as to the valuation of receivables for departmental revenue to the value of R120 396 000 as disclosed in note 25 of the financial statements as, in a significant number of instances, it was identified that the department does not obtain or retain adequate documentation to support patients income which is utilised to classify patients in terms of the Uniform Patient Fee Structure. As a result it was not possible to verify whether patients have been correctly classified and consequently whether medical services have been levied at the correct and approved rates. The aforementioned also resulted in it not being possible to satisfy myself as to the valuation of the provision for potential irrecoverable patient fee debts of R71 771 000 as disclosed in note 30 to the financial statements.

#### **Commitments**

11. Documentation to support the occurrence, accuracy and completeness of the payments that was used in the calculation of the value of commitments relating to the departmental bids approved and contracted could not be provided. Furthermore it was identified that infrastructure commitments was not complete as various contracts were not included in the calculation of the value of these commitments. It was thus not possible to gain adequate audit assurance as to the valuation and completeness of the commitments of R880 269 000, as disclosed in note 21 to the financial statements.

#### **Qualified opinion**

12. In my opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had I been able to satisfy myself as to 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 2008 and its financial performance and cash flows for the year then ended, in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1 and in the manner required by the PFMA and DoRA.



### Emphasis of matter

I draw attention to the following matter:

#### Unauthorised expenditure

13. As disclosed in note 9 to the financial statements the department incurred unauthorised expenditure to the value of R132 017 000 during the year under review. In terms of the disclosed unauthorised expenditure it should be noted that the departments' accruals have increased exponentially over the previous three financial years from R44 855 000 in 2005-06 to R60 608 000 in 2006-07 and R176 110 000 in 2007-08. The accruals increased due to funding constraints. Furthermore it was identified that the department has disclosed in its statement of financial position the net result of the transactions with the Public Private Partnership under its administration. The net result of these transaction resulted in a cash outflow of R6 165 534 and relate to expenditure on capital infrastructure for the department. When considering the unauthorised expenditure for the year under review cognisance should be taken of these figures as it relates to 2007-08 spending although not included in the statement of financial position or in the appropriation statement in terms of the basis of accounting. Had these amounts been taken into account the total over expenditure of the department would have been R271 872 534.

### OTHER MATTERS

I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements:

#### Internal controls

14. Section 38(1)(a)(i) of the PFMA states that the accounting officer must ensure that the department has and maintains effective, efficient and transparent systems of financial and risk management and internal control. The table below depicts the root causes that gave rise to the inefficiencies in the system of internal control, which led to the qualified opinion. The root causes are categorised according to the five components of an effective system of internal control. In some instances deficiencies exist in more than one internal control component.

Reporting item	Control environment	Risk assessment	Control activities	Information and communication	Monitoring
Capital assets				X	X
Receivables for departmental revenue	X		X	X	X
Commitments			X	X	X

Control environment: establishes the foundation for the internal control system by providing fundamental discipline and structure for financial reporting.

Risk assessment: involves the identification and analysis by management of relevant financial reporting risks to achieve predetermined financial reporting objectives.

Control activities: policies, procedures and practices that ensure that management's financial reporting objectives are achieved and financial reporting risk mitigation strategies are carried out.



Reporting item	Control environment	Risk assessment	Control activities	Information and communication	Monitoring
<p><u>Information and communication</u>: supports all other control components by communicating control responsibilities for financial reporting to employees and by providing financial reporting information in a form and time frame that allows people to carry out their financial reporting duties.</p> <p><u>Monitoring</u>: covers external oversight of internal controls over financial reporting by management or other parties outside the process; or the application of independent methodologies, like customised procedures or standard checklists, by employees within a process.</p>					

## Non-compliance with applicable legislation

### Treasury Regulations

15. Contrary to Treasury Regulation 8.2.3 the department did not pay all suppliers within 30 days from the receipt of invoice.
16. Contrary to Treasury Regulation 15.5.1 banking was not always done within the timeframes as prescribed.
17. No interest was levied on outstanding patient fees. The amount of interest not levied could not be determined, as the departments' patient administration systems do not support the calculation of interest and the necessary information could thus not be extracted. According to Treasury Regulation 11.5.1, interest must be charged on debts to the state as determined by the Minister of Finance in terms of section 80 of the PFMA. According to *Notice 1410 of 2002*, issued in *Government Gazette No. 23727 of 8 August 2002*, only debts resulting from support provided by state medical institutions to state patients should be recovered without interest. This matter was also reported in the two previous years.
18. Contrary to Treasury Regulation 11.4.3 the department did not disclose in its financial statements the value of patient fee debtors that have been written off during the financial year under review.
19. Contrary to Treasury Regulation 11.2.1 no proof could be provided at several of the medical institutions audited during the financial year under review that adequate measures had been taken to follow-up on outstanding patient fee accounts before such accounts were written off.

### Public Finance Management Act

20. As disclosed in paragraph 2.4 of the accounting officer's report the department had medicine and medicinal consumables on hand in its main stores to the value of R91 194 000. Departmental inventory control processes were not effective during the financial year under review and would not have protected the department against material losses or allowed the department to accurately determine the extent of inventory losses. As a result of the identified weaknesses it could not be confirmed that the accounting officer complied with his responsibilities in terms of section 38(1)(a)(i) of the PFMA.
21. It was confirmed that the departmental register of irregular expenditure was not complete and did not include the detail of certain irregular expenditure incurred in



## FREE STATE PROVINCE

### Department of Health

respect of the current and preceding financial years. As a result of the incomplete records on irregular expenditure the department did not report the particulars of all identified irregular expenditure to the provincial treasury as prescribed by section 38(1)(g) of the PFMA. Proof could also not be obtained that the department considered or instituted effective and appropriate disciplinary steps against officials in the service of the department who made or permitted the incurrence of these irregular expenditure.

#### Matters of governance

22. The PFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of certain key governance responsibilities, which I have assessed as follows:

No.	Matter of governance	Yes	No
<b>Audit committee</b>			
1(a)	The department had an audit committee in operation throughout the financial year.		X
1(b)	The audit committee operates in accordance with approved written terms of reference.		X
1(c)	The audit committee substantially fulfilled its responsibilities for the year, as set out in section 77 of the PFMA and Treasury Regulation 3.1.10.		X
<b>Internal audit</b>			
2(a)	The department had an internal audit function in operation throughout the financial year.	X	
2(b)	The internal audit function operates in terms of an approved internal audit plan.		X
2(c)	The internal audit function substantially fulfilled its responsibilities for the year, as set out in Treasury Regulation 3.2		X
<b>Other matters of governance</b>			
3	The annual financial statements were submitted for audit as per the legislated deadlines (section 40 of the PFMA).	X	
4	The financial statements submitted for audit were not subject to any material amendments resulting from the audit.		X
5	No significant difficulties were experienced during the audit concerning delays or the unavailability of expected information and/or the unavailability of senior management.		X
6	The prior year's external audit recommendations have been substantially implemented.		X
7	PROPAC resolutions have been substantially implemented.	X	



## OTHER REPORTING RESPONSIBILITIES

### REPORT ON PERFORMANCE INFORMATION

23. I have reviewed the performance information as set out on pages 14 to 126.

#### Responsibility of the accounting officer for the performance information

24. The accounting officer has additional responsibilities as required by section 40(3)(a) of the PFMA to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of the department.

#### Responsibility of the Auditor-General

25. I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*.

26. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.

27. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings reported below.

#### Audit findings (performance information)

##### Evidence materially inconsistent with reported performance information

28. The evidence provided to support the performance information reported in the annual report was materially inconsistent with the reported performance information in respect of the following aspects:

Measure/ indicator per output	Target per output	Actual performance per annual report	Actual performance as per supporting evidence
<b>PROGRAMME 2: DISTRICT HEALTH SERVICES</b>			
<b>Sub programme: HIV and AIDS</b>			
	During 2007/08, a total of 71544 people received food supplements. The breakdown per district, is as follows: Thabo Mofutsanyana 1800 Xhariep 2000 Fezile Dabi 1800 Motho 3400 Lejweleputswa 2800	During 2007/08, a total of 71544 people received food supplements. The breakdown per district, is as follows: Thabo Mofutsanyana: 13027 Xhariep: 8943 Fezile Dabi: 14625 Motho: 17426 Lejweleputswa: 17523	During 2007/08, a total of 71544 people received food supplements. The breakdown per district, is as follows: Thabo Mofutsanyana: 12704 Xhariep: 7860 Fezile Dabi: 15192 Motho: 15878 Lejweleputswa: 16790
<b>Sub programme: NUTRITION</b>			
% of PHC services	45% of PHC services	75% of PHC services	87% of PHC services



## FREE STATE PROVINCE Department of Health

Measure/ indicator per output	Target per output	Actual performance per annual report	Actual performance as per supporting evidence
<b>PROGRAMME 2: DISTRICT HEALTH SERVICES</b>			
Sub programme: HIV and AIDS			
that have a 60% saturation of IMCI trained personnel.	have a 60% saturation of IMCI trained personnel	have saturation of IMCI trained personnel.	have saturation of IMCI trained personnel.

### OTHER REPORTS

#### Investigations

29. The department has sanctioned a forensic audit at the Universitas Hospital to investigate allegations that medical services are being rendered to the private patients of doctors at the cost of the Department of Health. As at the date of the report the investigation was still in progress.

#### APPRECIATION

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

*Auditor-General*

Bloemfontein

31 July 2008



AUDITOR - G E N E R A L



FREE STATE DEPARTMENT OF HEALTH  
VOTE 5

APPROPRIATION STATEMENT  
for the year ended 31 March 2008

Appropriation per programme									
		2007/08						2006/07	
	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
<b>1. Administration</b>	<b>210,073</b>	<b>-</b>	<b>(15,663)</b>	<b>194,410</b>	<b>186,449</b>	<b>7,961</b>	<b>95.91 %</b>	<b>173,066</b>	<b>154,664</b>
Current payments	204,813	(380)	(14,461)	189,972	182,289	7,683	95.96 %	164,190	147,105
Transfers and subsidies	300	-	1,143	1,443	1,239	204	85.86 %	1,269	1,141
Payment for capital assets	4,960	380	(2,345)	2,995	2,921	74	97.53 %	7,607	6,418
<b>2. District Health Services</b>	<b>1,380,495</b>	<b>-</b>	<b>(4,024)</b>	<b>1,384,519</b>	<b>1,408,370</b>	<b>(23,851)</b>	<b>101.72 %</b>	<b>1,302,317</b>	<b>1,290,966</b>
Current payments	1,268,320	(2,678)	2,852	1,268,494	1,323,200	(54,706)	104.31 %	1,218,866	1,207,614
Transfers and subsidies	37,656	-	1,172	38,828	40,618	(1,790)	104.61 %	42,569	42,570
Payment for capital assets	74,519	2,678	-	77,197	44,552	32,645	57.71 %	40,882	40,782
<b>3. Emergency Medical Services</b>	<b>191,585</b>	<b>-</b>	<b>-</b>	<b>191,585</b>	<b>191,585</b>	<b>-</b>	<b>100.00 %</b>	<b>149,678</b>	<b>164,704</b>
Current payments	168,633	-	-	168,633	162,821	5,812	96.55 %	134,870	145,389
Transfers and subsidies	208	-	-	208	-	208	0.00 %	72	72
Payment for capital assets	22,744	-	-	22,744	28,764	(6,020)	126.47 %	14,736	19,243
<b>4. Provincial Hospital Services</b>	<b>951,159</b>	<b>-</b>	<b>6,313</b>	<b>957,472</b>	<b>997,366</b>	<b>(39,894)</b>	<b>104.17 %</b>	<b>888,957</b>	<b>951,962</b>
Current payments	932,838	-	5,300	938,138	983,720	(45,582)	104.86 %	876,662	936,385
Transfers and subsidies	2,467	-	1,013	3,480	3,256	224	93.56 %	1,582	2,857
Payment for capital assets	15,854	-	-	15,854	10,390	5,464	65.54 %	10,713	12,720
<b>5. Central Hospital Services</b>	<b>677,324</b>	<b>-</b>	<b>8,611</b>	<b>685,935</b>	<b>693,694</b>	<b>(7,759)</b>	<b>101.13 %</b>	<b>576,169</b>	<b>599,443</b>
Current payments	664,423	-	7,324	671,747	680,440	(8,693)	101.29 %	557,039	585,296
Transfers and subsidies	901	-	1,287	2,188	2,188	-	100.00 %	1,130	1,130
Payment for capital assets	12,000	-	-	12,000	11,066	934	92.22 %	18,000	13,017
<b>6. Health Sciences and Training</b>	<b>115,654</b>	<b>-</b>	<b>(4,254)</b>	<b>111,400</b>	<b>98,727</b>	<b>12,673</b>	<b>88.62 %</b>	<b>91,658</b>	<b>98,150</b>
Current payments	86,175	(169)	(1,324)	84,682	70,649	14,033	83.43 %	70,768	70,768
Transfers and subsidies	28,711	-	(4,765)	23,946	22,970	976	95.92 %	19,363	25,855
Payment for capital assets	768	169	1,835	2,772	5,108	(2,336)	184.27 %	1,527	1,527
<b>7. Health Care Support</b>	<b>65,986</b>	<b>-</b>	<b>969</b>	<b>66,955</b>	<b>64,001</b>	<b>2,954</b>	<b>95.59 %</b>	<b>60,313</b>	<b>62,547</b>
Current payments	61,489	-	(1,691)	59,798	56,844	2,954	95.06 %	56,892	59,125
Transfers and subsidies	-	-	2,150	2,150	2,150	-	100.00 %	207	208
Payment for capital assets	4,497	-	510	5,007	5,007	-	100.00 %	3,214	3,214
<b>8. Health Facilities Management and Capital Stock</b>	<b>180,003</b>	<b>-</b>	<b>-</b>	<b>180,003</b>	<b>210,947</b>	<b>(30,994)</b>	<b>117.19 %</b>	<b>153,257</b>	<b>157,387</b>
Current payments	22,875	(4,527)	-	18,348	16,055	2,293	87.50 %	7,952	8,329
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	157,128	4,527	-	161,655	194,892	(33,237)	120.56 %	145,305	149,058



## FREE STATE PROVINCE Department of Health

VOTE 9

### APPROPRIATION STATEMENT for the year ended 31 March 2008

Appropriation per programme									
		2007/08						2006/07	
	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
<b>9. Thefts and Losses</b>	-	-	-	-	3,548	(3,548)	-	-	6,092
Current payments	-	-	-	-	3,547	(3,547)	-	-	6,087
Transfers and subsidies	-	-	-	-	1	(1)	-	-	5
Payment for capital assets	-	-	-	-	-	-	-	-	-
<b>10. Internal Charges</b>	(27,879)	-	-	(27,879)	(20,690)	(7,189)	74.21 %	(26,005)	(24,579)
Current payments	(27,879)	-	-	(27,879)	(20,690)	(7,189)	74.21 %	(26,005)	(24,579)
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3,744,400</b>	<b>-</b>	<b>-</b>	<b>3,744,400</b>	<b>3,833,997</b>	<b>(89,597)</b>	<b>102.39 %</b>	<b>3,369,410</b>	<b>3,461,336</b>
<b>Reconciliation with Statement of Financial Performance</b>									
<b>Add:</b>									
Prior year unauthorised expenditure approved with funding				149,127				-	
Departmental revenue				7,741				-	
Local and foreign aid assistance received				19,412				8,149	
<b>Actual amounts per Statements of Financial Performance (Total revenue)</b>				<b>3,920,680</b>				<b>3,377,559</b>	
<b>Add:</b>									
Local and foreign aid assistance					9,223				4,516
Prior year unauthorised expenditure approved					149,127				-
<b>Actual amounts per Statements of Financial Performance (Total expenditure)</b>					<b>3,992,347</b>				<b>3,465,852</b>



**FREE STATE DEPARTMENT OF HEALTH  
VOTE 5**

**APPROPRIATION STATEMENT  
for the year ended 31 MARCH 2008**

Appropriation per economic classification									
	2007/08							2006/07	
	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
<b>Current payments</b>	<b>3,381,687</b>	<b>(7,754)</b>	<b>(2,000)</b>	<b>3,371,933</b>	<b>3,458,875</b>	<b>(86,942)</b>	<b>102.58 %</b>	<b>3,061,234</b>	<b>3,141,519</b>
Compensation of employees	2,251,816	(73)	10,620	2,262,363	2,351,744	(89,381)	103.95 %	2,027,996	2,012,009
Goods and services	1,129,871	(7,681)	(12,620)	1,109,570	1,103,584	5,986	99.46 %	1,033,238	1,123,423
Financial transactions in assets and liabilities	-	-	-	-	3,547	(3,547)	-	-	6,087
<b>Transfers and subsidies</b>	<b>70,243</b>	<b>-</b>	<b>2,000</b>	<b>72,243</b>	<b>72,422</b>	<b>(179)</b>	<b>100.25 %</b>	<b>66,192</b>	<b>73,838</b>
Provinces and municipalities	7,200	-	-	7,200	6,849	351	95.13 %	20,019	18,103
Departmental agencies & accounts	-	-	2,000	2,000	2,000	-	100.00 %	-	-
Public corporations and private enterprises	300	-	-	300	84	216	28.00 %	600	472
Non-profit institutions	30,178	-	-	30,178	32,109	(1,931)	106.40 %	23,713	23,696
Households	32,565	-	-	32,565	31,380	1,185	96.36 %	21,860	31,567
<b>Payments for capital assets</b>	<b>292,470</b>	<b>7,754</b>	<b>-</b>	<b>300,224</b>	<b>302,700</b>	<b>(2,476)</b>	<b>100.82 %</b>	<b>241,984</b>	<b>245,979</b>
Buildings and other fixed structures	202,294	10,127	-	212,421	227,845	(15,424)	107.26 %	161,731	162,175
Machinery and equipment	89,180	(2,528)	-	86,652	73,851	12,801	85.23 %	79,105	83,154
Software and other intangible assets	996	155	-	1,151	1,004	147	87.23 %	1,148	650
<b>Total</b>	<b>3,744,400</b>	<b>-</b>	<b>-</b>	<b>3,744,400</b>	<b>3,833,997</b>	<b>(89,597)</b>	<b>102.39 %</b>	<b>3,369,410</b>	<b>3,461,336</b>



## FREE STATE PROVINCE Department of Health

### DETAIL PER PROGRAMME 1 - ADMINISTRATION for the year ended 31 March 2008

Programme per subprogramme	2007/08							2006/07	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Office of the MEC	3,869	-	(1,427)	2,442	599	1,843	24.53 %	3,501	3,219
Current payment	3,804	-	(1,427)	2,377	544	1,833	22.89 %	3,499	3,217
Transfers and subsidies	-	-	-	-	-	-	-	2	2
Payment for capital assets	65	-	-	65	55	10	84.62 %	-	-
1.2 Management	206,204	-	(14,236)	191,968	185,850	6,118	96.81 %	169,565	151,445
Current payment	201,009	(380)	(13,034)	187,595	181,745	5,850	96.88 %	160,691	143,888
Transfers and subsidies	300	-	1,143	1,443	1,239	204	85.86 %	1,267	1,139
Payment for capital assets	4,895	380	(2,345)	2,930	2,866	64	97.82 %	7,607	6,418
<b>Total</b>	<b>210,073</b>	<b>-</b>	<b>(15,663)</b>	<b>194,410</b>	<b>186,449</b>	<b>7,961</b>	<b>95.91 %</b>	<b>173,066</b>	<b>154,664</b>

Economic Classification	2007/08							2006/07	
	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	204,813	(380)	(14,461)	189,972	182,289	7,683	95.96 %	164,190	147,105
Compensation of employees	131,781	-	(3,966)	127,815	125,264	2,551	98.00 %	91,361	90,613
Goods and services	73,032	(380)	(10,495)	62,157	57,025	5,132	91.74 %	72,829	56,492
Transfers and subsidies	300	-	1,143	1,443	1,239	204	85.86 %	1,269	1,141
Provinces and municipalities	-	-	-	-	13	(13)	-	70	70
Public corporations and private enterprises	300	-	-	300	84	216	28.00 %	600	472
Households	-	-	1,143	1,143	1,142	1	99.91 %	599	599
Payments for capital assets	4,960	380	(2,345)	2,995	2,921	74	97.53 %	7,607	6,418
Machinery and equipment	4,119	380	(2,345)	2,154	2,153	1	99.95 %	6,583	5,856
Software and other intangible assets	841	-	-	841	768	73	91.32 %	1,024	562
<b>Total</b>	<b>210,073</b>	<b>-</b>	<b>(15,663)</b>	<b>194,410</b>	<b>186,449</b>	<b>7,961</b>	<b>95.91 %</b>	<b>173,066</b>	<b>154,664</b>



FREE STATE DEPARTMENT OF HEALTH  
VOTE 5

DETAIL PER PROGRAMME 2 – DISTRICT HEALTH SERVICES  
for the year ended 31 March 2008

Programme per subprogramme	2007/08							2006/07	
	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
<b>2.1 District Management</b>	<b>66,153</b>	<b>132</b>	<b>(11,300)</b>	<b>54,985</b>	<b>50,089</b>	<b>4,896</b>	<b>91.10 %</b>	<b>88,855</b>	<b>78,149</b>
Current payment	64,933	132	(11,300)	53,765	49,459	4,306	91.99 %	87,534	73,651
Transfers and subsidies	85	-	-	85	42	43	49.41 %	341	78
Payment for capital assets	1,135	-	-	1,135	588	547	51.81 %	980	4,420
<b>2.2 Community Health Clinics</b>	<b>203,430</b>	<b>849</b>	<b>12</b>	<b>204,291</b>	<b>237,252</b>	<b>(32,961)</b>	<b>116.13 %</b>	<b>187,848</b>	<b>191,641</b>
Current payment	194,691	849	-	195,540	229,922	(34,382)	117.58 %	170,853	174,059
Transfers and subsidies	7,380	-	12	7,392	7,047	345	95.33 %	16,603	16,007
Payment for capital assets	1,359	-	-	1,359	283	1,076	20.82 %	392	1,575
<b>2.3 Community Health Centres</b>	<b>53,992</b>	<b>353</b>	<b>-</b>	<b>54,345</b>	<b>61,355</b>	<b>(7,010)</b>	<b>112.90 %</b>	<b>48,778</b>	<b>48,555</b>
Current payment	53,570	353	-	53,923	61,279	(7,356)	113.64 %	48,687	48,284
Transfers and subsidies	-	-	-	-	7	(7)	-	15	108
Payment for capital assets	422	-	-	422	69	353	16.35 %	76	163
<b>2.4 Community Based Services</b>	<b>242,322</b>	<b>(1,656)</b>	<b>452</b>	<b>241,118</b>	<b>240,580</b>	<b>538</b>	<b>99.78 %</b>	<b>246,788</b>	<b>248,227</b>
Current payment	239,862	(1,656)	-	238,206	238,448	(242)	100.10 %	242,354	244,681
Transfers and subsidies	100	-	452	552	551	1	99.82 %	1,089	1,344
Payment for capital assets	2,360	-	-	2,360	1,581	779	66.99 %	3,345	2,202
<b>2.5 HIV &amp; AIDS</b>	<b>181,251</b>	<b>-</b>	<b>-</b>	<b>181,251</b>	<b>170,032</b>	<b>11,219</b>	<b>93.81 %</b>	<b>152,703</b>	<b>151,691</b>
Current payment	146,083	(2,678)	-	143,405	135,274	8,131	94.33 %	120,931	126,800
Transfers and subsidies	29,228	-	-	29,228	31,382	(2,154)	107.37 %	24,290	23,801
Payment for capital assets	5,940	2,678	-	8,618	3,376	5,242	39.17 %	7,482	1,090
<b>2.6 Nutrition</b>	<b>9,022</b>	<b>-</b>	<b>48</b>	<b>9,070</b>	<b>11,401</b>	<b>(2,331)</b>	<b>125.70 %</b>	<b>5,777</b>	<b>8,541</b>
Current payment	8,978	-	-	8,978	11,299	(2,321)	125.85 %	5,728	8,457
Transfers and subsidies	-	-	48	48	48	-	100.00 %	2	4
Payment for capital assets	44	-	-	44	54	(10)	122.73 %	47	80
<b>2.7 Coroner Services</b>	<b>83,713</b>	<b>-</b>	<b>-</b>	<b>83,713</b>	<b>54,486</b>	<b>29,227</b>	<b>65.09 %</b>	<b>46,883</b>	<b>35,591</b>
Current payment	28,822	-	-	28,822	21,604	7,218	74.96 %	26,885	17,174
Transfers and subsidies	-	-	-	-	19	(19)	-	7	11
Payment for capital assets	54,891	-	-	54,891	32,863	22,028	59.87 %	19,991	18,406
<b>2.8 District Hospitals</b>	<b>540,612</b>	<b>322</b>	<b>14,812</b>	<b>555,746</b>	<b>583,175</b>	<b>(27,429)</b>	<b>104.94 %</b>	<b>524,685</b>	<b>528,571</b>
Current payment	531,381	322	14,152	545,855	575,915	(30,060)	105.51 %	515,894	514,508
Transfers and subsidies	863	-	660	1,523	1,522	1	99.93 %	222	1,217
Payment for capital assets	8,368	-	-	8,368	5,738	2,630	68.57 %	8,569	12,846
<b>Total</b>	<b>1,380,495</b>	<b>-</b>	<b>4,024</b>	<b>1,384,519</b>	<b>1,408,370</b>	<b>(23,851)</b>	<b>101.27 %</b>	<b>1,302,317</b>	<b>1,290,966</b>



## FREE STATE PROVINCE Department of Health

VOTE 9

### DETAIL PER PROGRAMME 2 – DISTRICT HEALTH SERVICES for the year ended 31 March 2008

Economic Classification	2007/08							2006/07	
	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	1,268,320	(2,678)	2,852	1,268,494	1,323,200	(54,706)	104.31 %	1,218,866	1,207,614
Compensation of employees	835,315	-	8,704	844,019	897,543	(53,524)	106.34 %	777,727	777,547
Goods and services	433,005	(2,678)	(5,852)	424,475	425,657	(1,182)	100.28 %	441,139	430,067
Transfers and subsidies	37,656	-	1,172	38,828	40,618	(1,790)	104.61 %	42,569	42,570
Provinces and municipalities	7,200	-	-	7,200	6,835	365	94.93 %	18,856	17,054
Non-profit institutions	29,228	-	-	29,228	31,383	(2,155)	107.37 %	23,713	23,691
Households	1,228	-	1,172	2,400	2,400	-	100.00 %	-	1,825
Payments for capital assets	74,519	2,678	-	77,197	44,552	32,645	57.71 %	40,882	40,782
Buildings and other fixed structures	56,291	500	-	56,791	32,957	23,834	58.03 %	21,332	16,455
Machinery and equipment	18,087	2,178	-	20,265	11,528	8,737	56.89 %	19,500	24,239
Software and other intangible assets	141	-	-	141	67	74	47.52 %	50	88
Total	1,380,495	-	4,024	1,384,519	1,408,370	(23,851)	101.72 %	1,302,317	1,290,966



FREE STATE DEPARTMENT OF HEALTH  
VOTE 5

DETAIL PER PROGRAMME 3 – EMERGENCY MEDICAL SERVICES  
for the year ended 31 March 2008

Programme per subprogramme	2007/08							2006/07	
	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
<b>3.1 Emergency Transport</b>	188,033	-	-	188,033	189,904	(1,871)	101.00 %	143,282	152,861
Current payment	165,131	-	-	165,131	161,140	3,991	97.58 %	128,474	133,546
Transfers and subsidies	158	-	-	158	-	158	-	72	72
Payment for capital assets	22,744	-	-	22,744	28,764	(6,020)	126.47 %	14,736	19,243
<b>3.2 Planned Patient Transport</b>	3,552	-	-	3,552	1,681	1,871	47.33 %	6,396	11,843
Current payment	3,502	-	-	3,502	1,681	1,821	48.00 %	6,396	11,843
Transfers and subsidies	50	-	-	50	-	50	-	-	-
<b>Total</b>	<b>191,585</b>	<b>-</b>	<b>-</b>	<b>191,585</b>	<b>191,585</b>	<b>-</b>	<b>100.00 %</b>	<b>149,678</b>	<b>164,704</b>

Economic Classification	2007/08							2006/07	
	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
<b>Current payments</b>	168,633	-	-	168,633	162,821	5,812	96.55 %	134,870	145,389
Compensation of employees	101,164	(73)	-	101,091	95,279	5,812	94.25 %	90,070	83,377
Goods and services	67,469	73	-	67,542	67,542	-	100.00 %	44,800	62,012
<b>Transfers and subsidies</b>	208	-	-	208	-	208	-	72	72
Provinces and municipalities	-	-	-	-	-	-	-	61	61
Households	208	-	-	208	-	208	-	11	11
<b>Payments for capital assets</b>	22,744	-	-	22,744	28,764	(6,020)	126.47 %	14,736	19,243
Buildings and other fixed structures	-	1,435	-	1,435	7,455	(6,020)	519.51 %	-	-
Machinery and equipment	22,744	(1,435)	-	21,309	21,309	-	100.00 %	14,736	19,243
<b>Total</b>	<b>191,585</b>	<b>-</b>	<b>-</b>	<b>191,585</b>	<b>191,585</b>	<b>-</b>	<b>100.00 %</b>	<b>149,678</b>	<b>164,704</b>



## FREE STATE PROVINCE Department of Health

### DETAIL PER PROGRAMME 4 – PROVINCIAL HOSPITAL SERVICES for the year ended 31 March 2008

Programme per subprogramme	2007/08							2006/07	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1 General Hospitals	804,442	-	6,226	810,668	820,821	(10,153)	101.25 %	751,596	820,054
Current payment	790,954	-	5,300	796,254	811,040	(14,786)	101.86 %	741,920	807,604
Transfers and subsidies	604	-	926	1,530	1,530	-	100.00 %	493	1,922
Payment for capital assets	12,884	-	-	12,884	8,251	4,633	64.04 %	9,183	10,528
4.2 Psychiatric/Mental Hospitals	146,717	-	87	146,804	176,545	(29,741)	120.26 %	137,361	131,908
Current payment	141,884	-	-	141,884	172,680	(30,796)	121.71 %	134,742	128,781
Transfers and subsidies	1,863	-	87	1,950	1,726	224	88.51 %	1,089	935
Payment for capital assets	2,970	-	-	2,970	2,139	831	72.02 %	1,530	2,192
<b>Total</b>	<b>951,159</b>	<b>-</b>	<b>6,313</b>	<b>957,472</b>	<b>997,366</b>	<b>(39,894)</b>	<b>104.17 %</b>	<b>888,957</b>	<b>951,962</b>

Economic Classification	2007/08							2006/07	
	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	932,838	-	5,300	938,138	983,720	(45,582)	104.86 %	876,662	936,385
Compensation of employees	644,308	-	5,882	650,190	698,152	(47,962)	107.38 %	611,791	623,150
Goods and services	288,530	-	(582)	287,948	285,568	2,380	99.17 %	264,871	313,235
Transfers and subsidies	2,467	-	1,013	3,480	3,256	224	93.56 %	1,582	2,857
Provinces and municipalities	-	-	-	-	-	-	-	653	560
Non-profit institutions	950	-	-	950	726	224	76.42 %	-	-
Households	1,517	-	1,013	2,530	2,530	-	100.00 %	929	2,297
Payments for capital assets	15,854	-	-	15,854	10,390	5,464	65.54 %	10,713	12,720
Machinery and equipment	15,854	-	-	15,854	10,390	5,464	65.54 %	10,713	12,720
<b>Total</b>	<b>951,159</b>	<b>-</b>	<b>6,313</b>	<b>957,472</b>	<b>997,366</b>	<b>(39,894)</b>	<b>104.17 %</b>	<b>888,957</b>	<b>951,962</b>



FREE STATE DEPARTMENT OF HEALTH  
VOTE 5

DETAIL PER PROGRAMME 5 – CENTRAL HOSPITAL SERVICES  
for the year ended 31 March 2008

Programme per subprogramme	2007/08							2006/07	
	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	443,884	-	1,287	445,171	438,911	6,260	98.59 %	382,574	360,165
Current payment	442,983	-	-	442,983	436,723	6,260	98.59 %	381,736	359,035
Transfers and subsidies	901	-	1,287	2,188	2,188	-	100.00 %	838	1,130
5.2 Provincial Tertiary Hospital Services	233,440	-	7,324	240,764	254,783	(14,019)	105.82 %	193,595	239,278
Current payment	221,440	-	7,324	228,764	243,717	(14,953)	106.54 %	175,303	226,261
Transfers and subsidies	-	-	-	-	-	-	-	292	-
Payment for capital assets	12,000	-	-	12,000	11,066	934	92.22 %	18,000	13,017
<b>Total</b>	<b>677,324</b>	<b>-</b>	<b>8,611</b>	<b>685,935</b>	<b>693,694</b>	<b>(7,759)</b>	<b>101.13 %</b>	<b>576,169</b>	<b>599,443</b>

Economic Classification	2007/08							2006/07	
	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	664,423	-	7,324	671,747	680,440	(8,693)	101.29 %	557,039	585,296
Compensation of employees	442,983	-	1,000	443,983	452,676	(8,693)	101.96 %	375,503	358,620
Goods and services	221,440	-	6,324	227,764	227,764	-	100.00 %	181,536	226,676
Transfers and subsidies	901	-	1,287	2,188	2,188	-	100.00 %	1,130	1,130
Provinces and municipalities	-	-	-	-	-	-	-	292	292
Households	901	-	1,287	2,188	2,188	-	100.00 %	838	838
Payments for capital assets	12,000	-	-	12,000	11,066	934	92.22 %	18,000	13,017
Machinery and equipment	12,000	-	-	12,000	11,066	934	92.22 %	18,000	13,017
<b>Total</b>	<b>677,324</b>	<b>-</b>	<b>8,611</b>	<b>685,935</b>	<b>693,694</b>	<b>(7,759)</b>	<b>101.13 %</b>	<b>576,169</b>	<b>599,443</b>



## FREE STATE PROVINCE Department of Health

### DETAIL PER PROGRAMME 6 – HEALTH SCIENCES AND TRAINING for the year ended 31 March 2008

Programme per subprogramme	2007/08							2006/07	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
6.1 Nurse Training Colleges	-	-	-	-	(36)	36	-	50,886	57,167
Current payment	-	-	-	-	(36)	36	-	40,425	40,250
Transfers and subsidies	-	-	-	-	-	-	-	9,697	16,153
Payment for capital assets	-	-	-	-	-	-	-	764	764
6.2 Bursaries	9,711	-	-	9,711	9,689	22	99.77 %	9,771	9,694
Current payment	-	-	-	-	-	-	-	60	-
Transfers and subsidies	9,711	-	-	9,711	9,689	22	99.77 %	9,711	9,694
6.3 Primary Health Care Training	87,875	-	(4,254)	83,621	74,786	8,835	89.43 %	18,026	18,243
Current payment	68,114	(169)	(1,324)	66,621	56,397	10,224	84.65 %	17,426	17,590
Transfers and subsidies	19,000	-	(4,765)	14,235	13,281	954	93.30 %	(45)	8
Payment for capital assets	761	169	1,835	2,765	5,108	(2,343)	184.74 %	645	645
6.4 Other Training	18,068	-	-	18,068	14,288	3,780	79.08 %	12,975	13,046
Current payment	18,061	-	-	18,061	14,288	3,773	79.11 %	12,857	12,928
Payment for capital assets	7	-	-	7	-	7	-	118	118
<b>Total</b>	<b>115,654</b>	<b>-</b>	<b>(4,254)</b>	<b>111,400</b>	<b>98,727</b>	<b>12,673</b>	<b>88.62 %</b>	<b>91,658</b>	<b>98,150</b>

Economic Classification	2007/08							2006/07	
	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	86,175	(169)	(1,324)	84,682	70,649	14,033	83.43 %	70,768	70,768
Compensation of employees	54,562	-	(1,000)	53,562	44,081	9,481	82.30 %	45,336	45,336
Goods and services	31,613	(169)	(324)	31,120	26,568	4,552	85.37 %	25,432	25,432
Transfers and subsidies	28,711	-	(4,765)	23,946	22,970	976	95.92 %	19,363	25,855
Provinces and municipalities	-	-	-	-	-	-	-	61	38
Households	28,711	-	(4,765)	23,946	22,970	976	95.92 %	19,302	25,817
Payments for capital assets	768	169	1,835	2,772	5,108	(2,336)	184.27 %	1,527	1,527
Machinery and equipment	768	-	1,835	2,603	4,939	(2,336)	189.74 %	1,453	1,527
Software and other intangible assets	-	169	-	169	169	-	100.00 %	74	-
<b>Total</b>	<b>115,654</b>	<b>-</b>	<b>(4,254)</b>	<b>111,400</b>	<b>98,727</b>	<b>12,673</b>	<b>88.62 %</b>	<b>91,658</b>	<b>98,150</b>



FREE STATE DEPARTMENT OF HEALTH  
VOTE 5

DETAIL PER PROGRAMME 7 – HEALTH CARE SUPPORT  
for the year ended 31 March 2008

Programme per subprogramme	2007/08							2006/07	
	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
<b>7.1 Laundry Services</b>	<b>54,536</b>	<b>-</b>	<b>969</b>	<b>55,505</b>	<b>54,051</b>	<b>1,454</b>	<b>97.38 %</b>	<b>49,755</b>	<b>52,461</b>
Current payment	50,039	-	309	50,348	48,894	1,454	97.11 %	46,354	49,518
Transfers and subsidies	-	-	150	150	150	-	100.00 %	204	205
Payment for capital assets	4,497	-	510	5,007	5,007	-	100.00 %	3,197	2,738
<b>7.2 Orthotic &amp; Prosthetic Services</b>	<b>9,450</b>	<b>-</b>	<b>-</b>	<b>9,450</b>	<b>7,950</b>	<b>1,500</b>	<b>84.13 %</b>	<b>8,558</b>	<b>8,086</b>
Current payment	9,450	-	-	9,450	7,950	1,500	84.13 %	8,538	7,607
Transfers and subsidies	-	-	-	-	-	-	-	3	3
Payment for capital assets	-	-	-	-	-	-	-	17	476
<b>7.3 Medpas Trading Account</b>	<b>2,000</b>	<b>-</b>	<b>-</b>	<b>2,000</b>	<b>2,000</b>	<b>-</b>	<b>100.00 %</b>	<b>2,000</b>	<b>2,000</b>
Current payment	2,000	-	(2,000)	-	-	-	-	2,000	2,000
Transfers and subsidies	-	-	2,000	2,000	2,000	-	100.00 %	-	-
<b>Total</b>	<b>65,986</b>	<b>-</b>	<b>969</b>	<b>66,955</b>	<b>64,001</b>	<b>2,954</b>	<b>95.59 %</b>	<b>60,313</b>	<b>62,547</b>

Economic Classification	2007/08							2006/07	
	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
<b>Current payments</b>	<b>61,489</b>	<b>-</b>	<b>(1,691)</b>	<b>59,798</b>	<b>56,844</b>	<b>2,954</b>	<b>95.06 %</b>	<b>56,892</b>	<b>59,125</b>
Compensation of employees	41,703	-	-	41,703	38,749	2,954	92.92 %	36,208	33,366
Goods and services	19,786	-	(1,691)	18,095	18,095	-	100.00 %	20,684	25,759
<b>Transfers and subsidies</b>	<b>-</b>	<b>-</b>	<b>2,150</b>	<b>2,150</b>	<b>2,150</b>	<b>-</b>	<b>100.00 %</b>	<b>207</b>	<b>208</b>
Provinces and municipalities	-	-	-	-	-	-	-	26	28
Dept agencies & accounts	-	-	2,000	2,000	2,000	-	100.00 %	-	-
Households	-	-	150	150	150	-	100.00 %	181	180
<b>Payments for capital assets</b>	<b>4,497</b>	<b>-</b>	<b>510</b>	<b>5,007</b>	<b>5,007</b>	<b>-</b>	<b>-</b>	<b>3,214</b>	<b>3,214</b>
Machinery and equipment	4,497	-	510	5,007	5,007	-	100.00 %	3,214	3,214
<b>Total</b>	<b>65,986</b>	<b>-</b>	<b>969</b>	<b>66,955</b>	<b>64,001</b>	<b>2,954</b>	<b>95.59 %</b>	<b>60,313</b>	<b>62,547</b>



## FREE STATE PROVINCE Department of Health

### DETAIL PER PROGRAMME 8 – HEALTH FACILITIES MANAGEMENT AND CAPITAL STOCK for the year ended 31 March 2008

Programme per subprogramme	2007/08							2006/07	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
8.1 Community Health Facilities	-	-	-	-	-	-	-	11,070	10,549
Current payment	-	-	-	-	-	-	-	7,952	8,329
Payment for capital assets	-	-	-	-	-	-	-	3,118	2,220
8.2 District Hospital Services	99,584	-	-	99,584	134,596	(35,012)	135.16%	96,786	97,225
Current payment	17,911	-	-	17,911	15,959	1,952	89.10 %	-	-
Payment for capital assets	81,673	-	-	81,673	118,637	(36,964)	145.26 %	96,786	97,225
8.3 Provincial Hospital Services	80,419	-	-	80,419	76,351	4,068	94.94 %	45,401	49,613
Current payment	4,964	(4,527)	-	437	96	341	21.97 %	-	-
Payment for capital assets	75,455	4,527	-	79,982	76,255	3,727	95.34 %	45,401	49,613
Total	180,003	-	-	180,003	210,947	(30,944)	117.19%	153,257	157,387

Economic Classification	2007/08							2006/07	
	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	22,875	(4,527)	-	18,348	16,055	2,293	87.50 %	7,952	8,329
Goods and services	22,875	(4,527)	-	18,348	16,055	2,293	87.50 %	7,952	8,329
Payments for capital assets	157,128	4,527	-	161,655	194,892	(33,237)	120.56 %	145,305	149,058
Buildings and other fixed structures	146,003	8,192	-	154,195	187,433	(33,238)	121.56 %	140,399	145,720
Machinery and equipment	11,111	(3,651)	-	7,460	7,459	1	99.99 %	4,906	3,338
Software and other intangible assets	14	(14)	-	-	-	-	-	-	-
Total	180,003	-	-	180,003	210,947	(30,944)	117.19 %	153,257	157,387



**FREE STATE DEPARTMENT OF HEALTH  
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**DETAIL PER PROGRAMME 9 – THEFTS & LOSSES  
for the year ended 31 March 2008**

Programme per subprogramme	2007/08							2006/07	
	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
<b>9.1 Thefts &amp; Losses</b>	-	-	-	-	3,548	(3,548)	-	-	6,092
Current payment	-	-	-	-	3,547	(3,547)	-	-	6,087
Transfers and subsidies	-	-	-	-	1	(1)	-	-	5
<b>Total</b>	-	-	-	-	3,548	(3,548)	-	-	6,092

Economic Classification	2007/08							2006/07	
	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
<b>Current payments</b>	-	-	-	-	3,547	(3,547)	-	-	6,087
Financial transactions in assets and liabilities	-	-	-	-	3,547	(3,547)	-	-	6,087
<b>Transfers and subsidies</b>	-	-	-	-	1	(1)	-	-	5
Provinces and municipalities	-	-	-	-	1	(1)	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	5
<b>Total</b>	-	-	-	-	3,548	(3,548)	-	-	6,092



## FREE STATE PROVINCE Department of Health

### DETAIL PER PROGRAMME 10 – INTERNAL CHARGES for the year ended 31 March 2008

Programme per subprogramme	2007/08							2006/07	
	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
10.1 Internal Charges	(27,879)	-	-	(27,879)	(20,690)	(7,189)	74.21 %	(26,005)	(24,579)
Current payment	(27,879)	-	-	(27,879)	(20,690)	(7,189)	74.21 %	(26,005)	(24,579)
Total	(27,879)	-	-	(27,879)	(20,690)	(7,189)	74.21 %	(26,005)	(24,579)

Economic Classification	2007/08							2006/07	
	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	(27,879)	-	-	(27,879)	(20,690)	(7,189)	74.21 %	(26,005)	(24,579)
Goods and services	(27,879)	-	-	(27,879)	(20,690)	(7,189)	74.21 %	(26,005)	(24,579)
Total	(27,879)	-	-	(27,879)	(20,690)	(7,189)	74.21 %	(26,005)	(24,579)



**FREE STATE DEPARTMENT OF HEALTH  
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**NOTES TO THE APPROPRIATION STATEMENT  
for the year ended 31 March 2008**

**1. DETAIL OF TRANSFERS AND SUBSIDIES AS PER APPROPRIATION ACT (AFTER VIREMENT):**

Detail of these transactions can be viewed in note 7 (Transfers and subsidies) and Annexure 1 (A-L) to the Annual Financial Statements.

**2. DETAIL OF SPECIFICALLY AND EXCLUSIVELY APPROPRIATED AMOUNTS VOTED (AFTER VIREMENT):**

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

**3. DETAIL ON FINANCIAL TRANSACTIONS IN ASSETS AND LIABILITIES**

Detail of these transactions per programme can be viewed in note 6 (Financial transactions in Assets and Liabilities) to the Annual Financial Statements.

**4. EXPLANATIONS OF MATERIAL VARIANCES FROM AMOUNTS VOTED (AFTER VIREMENT):**

**4.1 Per Programme**

	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Variance as a % of Final Appropriation</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>
Administration	194,410	186,449	7,961	4.09 %

The under-expenditure of R2,551 million on Compensation of Employees is due to non-filling of critical posts. The under-expenditure of R5,132 million on Goods and Services is due to the contribution from the stringency measures implemented during the 2007/08 financial year.

	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Variance as a % of Final Appropriation</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>
District Health Services	1,384,519	1,408,370	(23,851)	(1.72%)

The over-expenditure of R53,524 million on Compensation of Employees is mainly due to the payment of the Occupational Specific Dispensation (OSD) of the professional nurses. The over-expenditure of R1,182 million on Goods and Services is due to critical medicine and medical consumables procured before the end of the financial year. The over-expenditure of R2,155 million on Transfers and Subsidies is due to the payments of stipends to non-profit institutions. The under-expenditure of R 23,834 million on building and other fixed structures is due to an additional amount of R42 million that were appropriated in the adjustment budget for the Bloemfontein Mortuary which is a project that runs over multiple financial years.



## FREE STATE PROVINCE Department of Health

### NOTES TO THE APPROPRIATION STATEMENT for the year ended 31 March 2008

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Provincial Hospital Services	957,472	997,366	(39 894)	(4.17 %)

The over-expenditure of R47,962 million on Compensation of Employees is mainly due to the Occupational Specific Dispensation (OSD) payment of the professional nurses. The under-expenditure of R2,380 million on Goods and Services is due to medicine and medical consumables that were not paid before the end of March. The under-expenditure of R5,464 million on Capital is due to outstanding orders at year-end.

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Central Hospital Services	685,935	693,694	(7,759)	(1.13 %)

The over-expenditure of R8,693 million on Compensation of Employees is mainly due to the Occupational Specific Dispensation (OSD's) payment of the professional nurses.

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Health Sciences & Training	111,400	98,727	12,673	11.38 %

The under-expenditure of R9,481 million on Compensation of Employees is due to non-filling of vacant posts. The under-expenditure of R4,552 million on Goods and Services is due to savings through the implementation of stringency measures. The under-expenditure of R0,976 million on Transfers and Subsidies is mainly due to the fact that a smaller number of nursing students were paid bursaries than originally budgeted.

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Health Care Support	66,955	64,001	2,954	4.41 %

The under-expenditure of R2,954 million on Compensation of Employees is due to non filling of vacant posts as part of the implementation of stringency measures.

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Health Facilities Management & Capital Stock	180,003	210,947	(30,944)	(17.19 %)



FREE STATE DEPARTMENT OF HEALTH  
VOTE 5

NOTES TO THE APPROPRIATION STATEMENT  
for the year ended 31 March 2008

The over-expenditure of R 33,238 million on Building and Fixed Structure is due to the fast tracking of the building process and the excessive pressure of payment to the contractors before end the end of the financial year.

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Thefts and Losses	-	3,548	(3,548)	(100.00 %)

The over-expenditure is due to Thefts and Losses that according to regulation are not budgeted for.

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Internal Charges	(27,879)	(20,690)	(7,189)	(25.79 %)

The under-charging of R7,189 million on Goods and Services is mainly due to the fact that less linen was washed at the Central Laundry which resulted in the decrease of Internal Charges above the budgeted amount.

4.2 Per Economic classification

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
<b>Current payment:</b>				
Compensation of employees	2,262,363	2,351,744	(89,381)	(3.97 %)
Goods and services	1,109,570	1,103,584	5,986	0.54 %
Financial transactions in assets and liabilities	-	3,547	(3,547)	(100 %)
Unauthorised expenditure approved	149,127	149,127	-	-
<b>Transfers and subsidies:</b>				
Provinces and municipalities	7,200	6,849	351	4.88 %
Departmental agencies and accounts	2,000	2,000	-	-
Public Corporations and private enterprises	300	84	216	72%
Non-profit institutions	30,178	32,109	(1,931)	(6.40 %)
Households	32,565	31,380	1,185	3.64 %
<b>Payments for capital assets:</b>				
Buildings and other fixed structures	212,421	227,845	(15,424)	(7.26%)
Machinery and equipment	86,652	73,851	12,801	14.77 %
Biological or cultivated assets	1,151	1,004	147	12.77 %



## FREE STATE PROVINCE

### Department of Health

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#### STATEMENT OF FINANCIAL PERFORMANCE for the year ended 31 March 2008

	Note	2007/08 R'000	2006/07 R'000
<b>REVENUE</b>			
Annual appropriation	1	3,744,400	3,369,410
Appropriation for unauthorised expenditure approved	9	149,127	-
Departmental revenue	2	7,741	-
Local and foreign aid assistance	3	19,412	8,149
<b>TOTAL REVENUE</b>		<b>3,920,680</b>	<b>3,377,559</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	4	2,351,744	2,012,009
Goods and services	5	1,103,584	1,123,423
Financial transactions in assets and liabilities	6	3,547	6,087
Local and foreign aid assistance	3	7,758	4,280
Unauthorised expenditure approved	9	149,127	-
<b>Total current expenditure</b>		<b>3,615,760</b>	<b>3,145,799</b>
<b>Transfers and subsidies</b>	7	<b>72,422</b>	<b>73,838</b>
<b>Expenditure for capital assets</b>			
Buildings and other fixed structures	8	227,845	162,175
Machinery and equipment	8	73,851	83,154
Software and other intangible assets	8	1,004	650
Local and foreign aid assistance	3	1,465	236
<b>Total expenditure for capital assets</b>		<b>304,165</b>	<b>246,215</b>
<b>TOTAL EXPENDITURE</b>		<b>3,992,347</b>	<b>3,465,852</b>
<b>SURPLUS/(DEFICIT)</b>		<b>(71,667)</b>	<b>(88,293)</b>
Add back unauthorised expenditure	9	132,017	119,020
Add back fruitless and wasteful expenditure	10	4,930	-
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>65,280</b>	<b>30,727</b>
<b>Reconciliation of Net Surplus/(Deficit) for the year</b>			
Voted Funds	14	47,350	27,094
Departmental Revenue	15	7,741	-
Local and foreign aid assistance	3	10,189	3,633
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>65,280</b>	<b>30,727</b>



**FREE STATE DEPARTMENT OF HEALTH  
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**STATEMENT OF FINANCIAL POSITION  
at 31 March 2008**

	<i>Note</i>	<b>2007/08 R'000</b>	<b>2006/07 R'000</b>
<b>ASSETS</b>			
<b>Current assets</b>		<b>346,928</b>	<b>348,808</b>
Unauthorised expenditure	9	<b>310,150</b>	327,260
Fruitless and wasteful expenditure	10	<b>4,930</b>	-
Cash and cash equivalents	11	<b>131</b>	129
Prepayments and advances	12	<b>78</b>	403
Receivables	13	<b>31,639</b>	21,016
<b>TOTAL ASSETS</b>		<b>346,928</b>	<b>348,808</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>335,554</b>	<b>338,714</b>
Voted funds to be surrendered to the Revenue Fund	14	<b>79,366</b>	181,143
Departmental revenue to be surrendered to the Revenue Fund	15	<b>40,510</b>	34,712
Bank overdraft	16	<b>197,173</b>	111,305
Payables	17	<b>1,335</b>	4,573
Local and foreign aid assistance unutilised	3	<b>17,170</b>	6,981
<b>TOTAL LIABILITIES</b>		<b>335,554</b>	<b>338,714</b>
<b>NET ASSETS</b>		<b>11,374</b>	<b>10,094</b>
<b>Represented by:</b>			
Recoverable revenue (Staff and other debts recovered)		<b>11,374</b>	10,094
<b>TOTAL</b>		<b>11,374</b>	<b>10,094</b>

**Note:** The balance for Unauthorised expenditure (note 9), Voted funds to be surrendered to the Revenue Fund (note 14) and Departmental revenue to be surrendered to the Revenue Fund (Note 15) for the 2006/07 financial year was restated, please refer to the respective notes for more information.



## FREE STATE PROVINCE

### Department of Health

#### VOTE 5

#### STATEMENT OF CHANGES IN NET ASSETS for the year ended 31 March 2008

	<i>Note</i>	<b>2007/08 R'000</b>	<b>2006/07 R'000</b>
<b>Recoverable revenue</b>			
Opening balance		<b>10,094</b>	8,160
Transfers:		<b>1,280</b>	1,934
Irrecoverable amounts written off	6.5	-	(487)
Debts recovered (included in departmental revenue)		<b>(3,260)</b>	(1,724)
Debts raised		<b>4,540</b>	4,145
Closing balance		<b>11,374</b>	10,094
<b>TOTAL</b>		<b>11,374</b>	10,094



FREE STATE DEPARTMENT OF HEALTH  
VOTE 5

CASH FLOW STATEMENT  
for the year ended 31 March 2008

	Note	2007/08 R'000	2006/07 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		3,993,770	3,448,207
Annual appropriated funds received	1.1	3,744,400	3,369,410
Appropriation for unauthorised expenditure received	9	149,127	-
Departmental revenue received	2	80,831	70,648
Local and foreign aid assistance received	3	19,412	8,149
Net (increase)/decrease in working capital		(1,356)	(122,461)
Surrendered to Revenue Fund		(226,974)	(56,311)
Current payments		(3,610,830)	(3,145,799)
Unauthorised expenditure – current payment	9	132,017	119,020
Transfers and subsidies paid		(72,422)	(73,838)
<b>Net cash flow available from operating activities</b>	18	<b>214,205</b>	<b>168,818</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets		(304,165)	(246,215)
Proceeds from sale of capital assets	2	2,814	-
(Increase)/decrease in other financial assets		-	486
<b>Net cash flows from investing activities</b>		<b>(301,351)</b>	<b>(245,729)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/(decrease) in net assets		1,280	1,934
<b>Net cash flows from financing activities</b>		<b>1,280</b>	<b>1,934</b>
Net increase/(decrease) in cash and cash equivalents		(85,866)	(74,977)
Cash and cash equivalents at the beginning of the period		(111,176)	(36,199)
<b>Cash and cash equivalents at end of period</b>	19	<b>(197,042)</b>	<b>(111,176)</b>



**ACCOUNTING POLICIES**  
for the year ended 31 March 2008

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 2 of 2006.

**1. PRESENTATION OF THE FINANCIAL STATEMENTS**

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

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

Unexpended appropriated funds are surrendered to the Provincial Revenue Fund. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position.

**2.2 Departmental revenue**

All departmental revenue is paid into the Provincial Revenue Fund when received. Amounts receivable at the reporting date are disclosed in the disclosure notes to the annual financial statements.



FREE STATE DEPARTMENT OF HEALTH  
VOTE 5

ACCOUNTING POLICIES  
for the year ended 31 March 2008

**2.3.1 Tax revenue**

Tax revenue consists of all compulsory unrequited amounts collected by the department in accordance with laws and or regulations (excluding fines, penalties & forfeits). Tax receipts are recognised in the statement of financial performance when received.

**2.3.2 Sales of goods and services other than capital assets**

The proceeds received from the sale of goods and/or the provision of services is recognised in the Statement of Financial Performance when the cash is received.

**2.3.3 Fines, penalties & forfeits**

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

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

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

**2.3.5 Sale of capital assets**

The proceeds received on sale of capital assets are recognised in the Statement of Financial Performance when the cash is received.

**2.3.6 Financial transactions in assets and liabilities**

Repayments of loans and advances previously extended to employees and public corporations for policy purposes are recognised as revenue in the Statement of Financial Performance on receipt of the funds. Cheques issued in previous accounting periods that expire before being banked are recognised as revenue in the Statement of Financial Performance when the cheque becomes stale. When the cheque is reissued the payment is made from Revenue.

**2.3.7 Transfers received (including gifts, donations and sponsorships)**

All cash gifts, donations and sponsorships are paid into the Provincial Revenue Fund and recorded as revenue in the Statement of Financial Performance when received. Amounts receivable at the reporting date are disclosed in the disclosure notes to the financial statements. All in-kind gifts, donations and sponsorships are disclosed at fair value in an annexure to the financial statements.

**2.4 Local and foreign aid assistance**

Local and foreign aid assistance is recognised as revenue when notification of the assistance is received from the National Treasury or when the department directly receives the cash from the donor(s). All in-kind local and foreign aid assistance are disclosed at fair value in the annexures to the annual financial statements. The cash payments made during the year relating to local and foreign aid assistance projects are recognised as expenditure in the Statement of Financial Performance. The value of the assistance expensed prior to the receipt of the funds is recognized as a receivable in the statement of financial position. Inappropriately expensed amounts using local and foreign aid assistance and any unutilised amounts are recognised as payables in the statement of financial position.



**ACCOUNTING POLICIES**  
for the year ended 31 March 2008

**3. EXPENDITURE**

**3.1 Compensation of employees**

**3.1.1 Short-term employee benefits**

Salaries and wages comprise payments to employees (including leave entitlements, thirteenth cheques and performance bonuses). Salaries and wages are recognised as an expense 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). Capitalised compensation forms part of the expenditure for capital assets in the Statement of Financial Performance. All other payments are classified as current expense. 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 Position.

**3.1.2 Post retirement benefits**

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

**3.1.3 Termination benefits**

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

**3.1.4 Other long-term employee benefits**

Other long-term employee benefits (such as capped leave) are recognised as an expense in the Statement of Financial Performance as a transfer (to households) when the final authorisation for payment is effected on the system (by no later than 31 March of each year). Long-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 Position.

**3.2 Goods and services**

Payments made for goods and/or services are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). The expense is classified as capital if the goods and services were used for a capital project or an asset of R5000 or more is purchased. All assets costing less than R5000 will also be reflected under goods and services.

**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.



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**ACCOUNTING POLICIES  
for the year ended 31 March 2008**

**3.4 Financial transactions in assets and liabilities**

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

**3.5 Unauthorised expenditure**

When discovered unauthorised expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person or written off as irrecoverable in the Statement of Financial Performance. Unauthorised expenditure approved with funding is recognised in the Statement of Financial Performance when the unauthorised expenditure is approved and the related funds are received. Where the amount is approved without funding it is recognised as expenditure, subject to availability of savings, in the Statement of Financial Performance on the date of approval.

**3.6 Fruitless and wasteful expenditure**

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

**3.7 Irregular expenditure**

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

**3.8 Transfers and subsidies**

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

**3.9 Expenditure for capital assets**

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

**4. ASSETS**

**4.1 Cash and cash equivalents**

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

**4.2 Prepayments and advances**

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made. Pre-payments and advances outstanding at the end of the year are carried in the statement of financial position at cost.



**ACCOUNTING POLICIES**  
for the year ended 31 March 2008

**4.3 Receivables**

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party. Receivables outstanding at year-end are carried in the statement of financial position at cost.

**4.4 Investments**

Capitalised investments are shown at cost in the statement of financial position. Any cash flows such as dividends received or proceeds from the sale of the investment are recognised in the statement of financial performance when the cash is received. Investments are tested for an impairment loss whenever events or changes in circumstances indicate that the investment may be impaired. Any loss is included in the disclosure notes.

**4.5 Loans**

Loans are recognised in the statement of financial position at the nominal amount when cash is paid to the beneficiary. Loan balances are reduced when cash repayments are received from the beneficiary. Amounts that are potentially irrecoverable are included in the disclosure notes. Loans that are outstanding at year-end are carried in the statement of financial position at cost.

**4.6 Inventory**

Inventories purchased during the financial year are disclosed at cost in the notes.

**4.7 Capital assets**

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 capital asset should be stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1. Projects (of construction/development) running over more than one financial year relating to assets, are only capitalised as assets on completion of the project and at the total cost incurred over the duration of the project. Disclosure Notes 31 & 32 reflect the total movement in the asset register for the current financial year.

**5. LIABILITIES**

**5.1 Voted funds to be surrendered to the Revenue Fund**

Unexpended appropriated funds are surrendered to the Provincial Revenue Fund. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the Statement of Financial Position

**5.2 Departmental revenue to be surrendered to the Revenue Fund**

Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position at cost.

**5.3 Bank overdraft**

The bank overdraft is carried in the statement of position at cost.



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**ACCOUNTING POLICIES  
for the year ended 31 March 2008**

**5.4 Payables**

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

**5.5 Contingent liabilities**

Contingent liabilities are included in the disclosure notes.

**5.6 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.

**5.7 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.

**5.8 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.

**5.9 Lease commitments**

Lease commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes. Operating and finance lease commitments are expensed when the payments are made. Assets acquired in terms of finance lease agreements are disclosed in the annexures and disclosure notes to the financial statements.

**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 transferred to the National/Provincial Revenue Fund on disposal, repayment or recovery of such amounts.

**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.

**8. RELATED PARTY TRANSACTIONS**

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



## FREE STATE PROVINCE Department of Health

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#### ACCOUNTING POLICIES for the year ended 31 March 2008

**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  
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2008**

**1. ANNUAL APPROPRIATION**

**1.1 Annual Appropriation**

Included are funds appropriated in terms of the Appropriation Act for Provincial Departments:  
(Equitable Share)

	<b>Final Appropriation</b>	<b>Actual Funds Received</b>	<b>Funds not requested / not received</b>	<b>Appropriation received 2006/07</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Administration	194,410	194,410	-	173,066
District Health Services	1,384,519	1,367,783	16,736	1,302,194
Emergency Medical Services	191,585	191,585	-	149,678
Provincial Hospital Services	957,472	957,472	-	889,080
Central Hospital Services	685,935	685,935	-	576,169
Health Science and Training	111,400	113,736	(2,336)	91,658
Health Care Support Services	66,955	66,955	-	60,313
Health Facilities Management	180,003	194,403	(14,400)	153,257
Internal Charges	(27,879)	(27,879)	-	(26,005)
<b>Total</b>	<b>3,744,400</b>	<b>3,744,400</b>	<b>-</b>	<b>3,369,410</b>

	<i>Note</i>	<b>2007/08 R'000</b>	<b>2006/07 R'000</b>
<b>1.2 Conditional grants</b>			
Total grants received	<i>Annex 1A</i>	<b>980,357</b>	933,044
Provincial grants included in Total Grants received		<b>116,491</b>	133,738

**2. DEPARTMENTAL REVENUE**

Sales of goods and services other than capital assets	2.1	<b>72,009</b>	65,579
Fines, penalties and forfeits		-	19
Interest, dividends and rent on land	2.2	<b>2,455</b>	1,363
Sales of capital assets	2.3	<b>2,814</b>	-
Financial transactions in assets and liabilities	2.4	<b>6,367</b>	3,687
Total revenue collected		<b>83,645</b>	70,648
Less: Departmental Revenue Budgeted	15	<b>75,904</b>	70,648
<b>Departmental revenue collected</b>		<b>7,741</b>	-

**2.1 Sales of goods and services other than capital assets**

Sales of goods and services produced by the department	<b>71,912</b>	65,473
Other sales	<b>71,912</b>	65,473
Sales of scrap, waste and other used current goods	<b>97</b>	106
<b>Total</b>	<b>72,009</b>	65,579



## FREE STATE PROVINCE Department of Health

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

	Note	2007/08 R'000	2006/07 R'000
<b>2. DEPARTMENTAL REVENUE (CONTINUED)</b>			
<b>2.2 Interest, dividends and rent on land</b>			
Interest		2,455	1,363
<b>Total</b>		<b>2,455</b>	<b>1,363</b>
<b>2.3 Sale of capital assets</b>			
Other capital assets		2,814	-
<b>Total</b>		<b>2,814</b>	<b>-</b>
<b>2.4 Financial transactions in assets and liabilities</b>			
<b>Nature of recovery</b>			
Receivables		3,366	1,838
Other Receipts including Recoverable Revenue		3,001	1,849
<b>Total</b>		<b>6,367</b>	<b>3,687</b>
<b>3. LOCAL AND FOREIGN AID ASSISTANCE</b>			
<b>Foreign</b>			
Opening Balance		6,981	3,348
Revenue		19,412	8,149
Less: Expenditure		9,223	4,516
Current		7,758	4,280
Capital		1,465	236
Closing Balance		17,170	6,981
<b>Analysis of balance</b>			
Local and foreign aid unutilised		17,170	6,981
Closing balance		17,170	6,981
<b>4. COMPENSATION OF EMPLOYEES</b>			
<b>4.1 Salaries &amp; Wages</b>			
Basic salary		1,566,092	1,353,840
Performance award		36,465	34,479
Service Based		4,442	8,467
Compensative/circumstantial		222,734	188,600
Periodic payments		4,021	4,162
Other non-pensionable allowances		218,626	165,548
<b>Total</b>		<b>2,052,380</b>	<b>1,755,096</b>



FREE STATE DEPARTMENT OF HEALTH  
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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	Note	2007/08 R'000	2006/07 R'000
<b>4. COMPENSATION OF EMPLOYEES (CONTINUED)</b>			
<b>4.2 Social Contributions</b>			
<b>Employer contributions</b>			
Pension		199,570	174,098
Medical		99,319	82,394
Bargaining council		475	421
<b>Total</b>		<b>299,364</b>	<b>256,913</b>
<b>Total compensation of employees</b>		<b>2,351,744</b>	<b>2,012,009</b>
Average number of employees		<b>16,088</b>	<b>15,723</b>
<b>5. GOODS AND SERVICES</b>			
Advertising		6,475	6,597
Attendance fees (including registration fees)		116	316
Bank charges and card fees		1,010	389
Bursaries (employees)		-	1,243
Catering		5,507	-
Communication		40,399	39,399
Computer services		16,488	17,185
Consultants, contractors and special services		59,433	71,603
Courier and delivery services		185	197
Tracing agents & Debt collections		21	2
Drivers licences and permits		167	247
Entertainment		40	6,983
External audit fees	5.1	5,852	6,198
Equipment less than R5000		11,361	16,777
Freight service		-	3
Honoraria (Voluntary workers)		-	6,400
Inventory	5.2	551,688	572,059
Legal fees		140	345
Maintenance, repairs and running costs		127,995	119,347
Medical Services		149,166	166,913
Operating leases		28,703	21,207
Photographic services		7	96
Printing and publications		-	1
Professional bodies and membership fees		1,065	602
Resettlement costs		3,125	2,211
Subscriptions		4	3
Owned and leasehold property expenditure		34,170	24,146
Transport provided as part of the departmental activities		134	41
Travel and subsistence	5.3	40,258	24,542
Venues and facilities		1,121	809



## FREE STATE PROVINCE Department of Health

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### NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

	Note	2007/08 R'000	2006/07 R'000
<b>5. GOODS &amp; SERVICES (CONTINUED)</b>			
Protective, special clothing & uniforms		1,915	723
Training & staff development		17,039	16,839
<b>Total</b>		<b>1,103,584</b>	<b>1,123,423</b>
<b>5.1 External audit fees</b>			
Regularity audits		4,895	4,465
Performance audits		-	66
Other audits		957	1,667
<b>Total</b>		<b>5,852</b>	<b>6,198</b>
<b>5.2 Inventory</b>			
Domestic consumables		44,164	60,245
Food and food supplies		42,903	46,828
Fuel, oil and gas		1,962	3,980
Laboratory consumables		2,018	3,092
Other consumables		1,820	3,634
Parts and other maintenance material		8,315	8,639
Stationery and printing		18,293	19,877
Medical supplies		432,213	425,764
<b>Total</b>		<b>551,688</b>	<b>572,059</b>
<b>5.3 Travel and subsistence</b>			
Local		39,719	23,667
Foreign		539	875
<b>Total</b>		<b>40,258</b>	<b>24,542</b>
<b>6. FINANCIAL TRANSACTIONS IN ASSETS AND LIABILITIES</b>			
Material losses through criminal conduct		50	217
-Theft	6.4	-	214
-Other material losses	6.1	50	3
Other material losses written off	6.2	3,497	2,998
Debts written off	6.3	-	2,872
<b>Total</b>		<b>3,547</b>	<b>6,087</b>
<b>6.1 Other material losses</b>			
<b>Nature of other material losses</b>			
<b>Incident</b>	<b>Disciplinary Steps taken/ Criminal proceedings</b>		
Criminal	None	50	-
Fraudulently	None	-	3
<b>Total</b>		<b>50</b>	<b>3</b>



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NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2008

	Note	2007/08 R'000	2006/07 R'000
<b>6.2 Other material losses written off</b>			
<b>Nature of losses</b>			
Claims by the state		50	53
Sundry items		609	652
Vehicle Accidents / Own damage		642	485
Claims against the State: Mobile Government Vehicles		181	290
Claims against the State: Other Claims		1,000	509
Excess Payments		-	14
Irregular Expenditure		-	10
Stock Shortages		-	968
Fruitless and Wasteful Expenditure		-	17
Fraudulently cashed cheques		1,015	-
<b>Total</b>		<b>3,497</b>	<b>2,998</b>
<b>6.3 Debts written off</b>			
<b>Nature of debts written off</b>			
Staff Debt		-	2,872
<b>Total</b>		<b>-</b>	<b>2,872</b>
<b>Note:</b> Staff debt was not written off in the current financial year due to the fact that the Department did not have a saving available for the write-off of staff debt.			
<b>6.4 Detail of theft</b>			
Equipment		-	35
Medicine		-	21
Vehicles		-	130
Cash		-	28
<b>Total</b>		<b>-</b>	<b>214</b>
<b>6.5 Irrecoverable amounts written off</b>			
Receivables written off		-	487
Staff Debt		-	487
<b>Total</b>		<b>-</b>	<b>487</b>
<b>7. TRANSFERS AND SUBSIDIES</b>			
Provinces and municipalities	Annex 1E & 1F	6,849	18,103
Departmental agencies and accounts	Annexure 1 G	2,000	-
Public corporations and private enterprises	Annex 1I	84	472
Non-profit institutions	Annex 1K	32,109	23,696
Households	Annex 1L	31,380	31,567
<b>Total</b>		<b>72,422</b>	<b>73,838</b>



## FREE STATE PROVINCE Department of Health

### NOTES

#### NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

	Note	2007/08 R'000	2006/07 R'000
<b>8. EXPENDITURE FOR CAPITAL ASSETS</b>			
Buildings and other fixed structures	31	227,845	162,175
Machinery and equipment	31	75,316	83,390
Software and other intangible assets		1,004	650
Computer software	32	1,004	650
<b>Total</b>		<b>304,165</b>	<b>246,215</b>

#### 9. UNAUTHORISED EXPENDITURE

##### Reconciliation of unauthorised expenditure

Opening balance	327,260	208,240
Unauthorised expenditure – current year	132,017	119,020
Amounts approved by Parliament/Legislature (with funding)	(149,127)	-
Current expenditure	(149,127)	-
Unauthorised expenditure awaiting authorisation	<b>310,150</b>	<b>327,260</b>

##### Analysis of Current Year Unauthorised expenditure

Incident	Disciplinary steps taken/criminal proceedings	Total
Programme 2 - Over-expenditure	None	56,861
Programme 4 – Over-expenditure	None	44,586
Programme 5 – Over-expenditure	None	8,693
Programme 8 – Over-expenditure	None	18,329
Thefts & Losses	None	3,548
<b>Total</b>		<b>132,017</b>

**Note:** The opening balance of unauthorised expenditure for the 2006/07 financial year has been restated due to the fact that unauthorised expenditure to the amount of R2,957 million identified in the 2004/05 and 2005/06 financial years where not reported in the 2006/07 financial year.

#### 10. FRUITLESS AND WASTEFUL EXPENDITURE

##### Reconciliation of fruitless and wasteful expenditure

Opening balance	-	16
Fruitless and wasteful expenditure – current year	4,930	-
Current expenditure	4,930	-
Amounts condoned	-	(16)
Current expenditure	-	(16)
Transfer to receivables for recovery (not condoned)	-	-
Fruitless and wasteful expenditure awaiting condonement	<b>4,930</b>	<b>-</b>

##### Analysis of Current Year Fruitless and Wasteful Expenditure

Incident	Disciplinary steps taken/criminal proceedings	Total
Interest paid on bank overdraft	None	563
VAT paid to non-registered suppliers	None	3,739
Fruitless Expenditure	None	628



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NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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		Note	2007/08 R'000	2006/07 R'000
<b>11. CASH AND CASH EQUIVALENTS</b>				
Cash on hand			131	129
<b>Total</b>			<b>131</b>	<b>129</b>
<b>12. PREPAYMENTS AND ADVANCES</b>				
Travel and subsistence			78	403
<b>Total</b>			<b>78</b>	<b>403</b>
<b>13. RECEIVABLES</b>	Note		2007/08 Total R'000	2006/07 Total R'000
		Less than one year	One to three years	Older than three years
		R'000	R'000	R'000
Staff debtors	13.1	4,032	7,485	6,668
Other debtors	13.2	7,372	6,082	-
Intergovernmental receivables	Annex 4	-	-	-
<b>Total</b>		<b>11,404</b>	<b>13,567</b>	<b>6,668</b>
			<b>31,639</b>	<b>21,016</b>
<b>13.1 Staff Debtors</b>				
Accidents			407	597
Bursary Debt			7,065	5,565
Boarding and Lodging			-	10
Breach of Contract			1,505	523
Employee Debt			2,226	2,835
Ex-Employee Debt			5,408	6,937
Hospital / Medical Debt / Patient Fees			4	218
Medical Bursary Debt			3,913	4,605
Private Telephone and Cellular Debt			89	156
State Guarantee Debt			351	706
Subsidised Transport			-	36
Losses and Damages			239	375
Fixed Tariffs			-	13
Recoverable Revenue: Interest			(3,235)	(4,093)
Pension Recoverable			-	17
Sal: Deduction Disallowance: CA			31	16
Sal: Reversal Control: CA			108	62
Sal: Tax Debt: CA			74	31
<b>Total</b>			<b>18,185</b>	<b>18,609</b>



## FREE STATE PROVINCE Department of Health

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

	Note	2007/08 R'000	2006/07 R'000
Recivables (Continued)			
<b>13.2 OthOther Debtors er Debtors</b>			
Accidents		-	15
Debt to be written off		6,082	-
Nutrition Cases		-	7
PPP receivables		6,166	-
Fraudulent Cashed Cheques		1,206	2,199
<b>Total</b>		<b>13,454</b>	<b>2,221</b>

#### 14. VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND

Opening balance	181,143	154,049
Transfer from Statement of Financial Performance	47,350	27,094
Paid during the year	(149,127)	-
<b>Closing balance</b>	<b>79,366</b>	<b>181,143</b>

**Note:** The opening balance of Voted Funds to be surrendered to the Revenue Fund for the 2006/07 financial year has been restated to include Unauthorized Expenditure to the amount of R2,957 million for the 2004/05 and 2005/06 financial years (Refer to note 9). Revenue to be surrendered to the amount of R14,337 that was previously reported in Voted Funds to be surrendered to the Revenue Fund is now disclosed as Departmental Revenue to be surrendered to the Revenue fund.

#### 15. DEPARTMENTAL REVENUE TO BE SURRENDERED TO THE REVENUE FUND

Opening balance	34,712	20,375
Transfer from Statement of Financial Performance	7,741	-
Departmental revenue budgeted	75,904	70,648
Paid during the year	(77,847)	(56,311)
<b>Closing balance</b>	<b>40,510</b>	<b>34,712</b>

**Note:** The opening balance of Departmental revenue to be surrendered to the Revenue Fund for the 2006/07 financial year was restated to include Revenue to be surrendered to the amount of R14,337 that was previously reported under Voted Funds to be surrendered to the Revenue Fund.

#### 16. BANK OVERDRAFT

Consolidated Paymaster General Account	197,173	111,305
<b>Total</b>	<b>197,173</b>	<b>111,305</b>

#### 17. PAYABLES – CURRENT

	Notes	30 Days	30+ Days	2007/08 Total	2006/07 Total
Clearing accounts	17.1	33	200	233	647
Other payables	17.2	45	1,057	1,102	3,926
<b>Total</b>		<b>78</b>	<b>1,257</b>	<b>1,335</b>	<b>4,573</b>



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NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2008

	Note	2007/08 R'000	2006/07 R'000
<b>17. PAYABLES (CONTINUED)</b>			
<b>17.1 Clearing accounts</b>			
Salary Income Tax Clearing Account		209	647
Salary Housing Clearing Account		24	-
<b>Total</b>		<b>233</b>	<b>647</b>
<b>17.2 Other payables</b>			
Redemption of State Guarantees		1,102	1,554
Revenue collected on behalf of Netcare (PPP)		-	2,372
<b>Total</b>		<b>1,102</b>	<b>3,926</b>
<b>18. NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES</b>			
Net surplus/(deficit) as per Statement of Financial Performance		65,280	30,727
Add back non cash/cash movements not deemed operating activities		148,925	138,091
(Increase)/decrease in receivables – current		(10,623)	(1,706)
(Increase)/decrease in prepayments and advances		325	(231)
(Increase)/decrease in other current assets		12,180	(119,004)
Increase/(decrease) in payables – current		(3,238)	(1,520)
Proceeds from sale of capital assets		(2,814)	-
Expenditure on capital assets		304,165	246,215
Surrenders to Revenue Fund		(226,974)	(56,311)
Other non-cash items		75,904	70,648
<b>Net cash flow generated by operating activities</b>		<b>214,205</b>	<b>168,818</b>
<b>19. RECONCILIATION OF CASH AND CASH EQUIVALENTS FOR CASH FLOW PURPOSES</b>			
Consolidated Paymaster General account		(197,173)	(111,305)
Cash on hand		131	129
<b>Total</b>		<b>(197,042)</b>	<b>(111,176)</b>



## FREE STATE PROVINCE Department of Health

VOTE 5

### DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

	Note	2007/08 R'000	2006/07 R'000
<b>20. CONTINGENT LIABILITIES</b>			
<b>Liable to</b>	<b>Nature</b>		
Housing loan guarantees	Employees	11,548	17,065
Claims against the department		38,902	32,425
Other departments (interdepartmental unconfirmed balances)		3,789	43,984
<b>Total</b>		<b>54,239</b>	<b>93,474</b>

**Note:** The previous year figure for Housing Loan Guarantees has been restated due to system errors. Randum Chemicals CC instituted a claim of R57 324 381.02 against the Free State Provincial Government. Ten Free State Provincial Departments are parties to this claim. The Free State Provincial Government has tendered an amount of R1 470 304.33 towards the capital in settlement of this claim by Randum Chemicals CC.

### 21. COMMITMENTS

#### Current expenditure

Approved and contracted	444,492	298,089
Approved but not yet contracted	409,974	280,957
	34,518	17,132

#### Non-current expenditure

Approved and contracted	435,777	229,156
Approved but not yet contracted	180,122	227,664
	255,655	1,492

<b>Total Commitments</b>	<b>880,269</b>	<b>527,245</b>
--------------------------	----------------	----------------

### 22. ACCRUALS

#### Listed by economic classification

	30 Days	30+ Days	2007/08 Total	2006/07 Total
Compensation of employees	-	-	-	628
Goods and services	15,339	137,755	153,094	43,749
Buildings and other fixed structures	19,675	276	19,951	3,894
Machinery and equipment	652	2,413	3,065	12,337
<b>Total</b>	<b>35,666</b>	<b>140,444</b>	<b>176,110</b>	<b>60,608</b>

#### Listed by programme level

Programme 1 – Administration	34,579	20,318
Programme 2 – District Health Services	16,440	7,825
Programme 4 – Provincial Hospital Services	48,865	26,758
Programme 5 – Central Hospital Services	22,247	5,637
Programme 6 – Health Science and Training	488	14
Programme 7 – Health Care Support	210	56
Central Medical Trading Account	53,281	-
	<b>176,110</b>	<b>60,608</b>



FREE STATE DEPARTMENT OF HEALTH  
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DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2008

	Note	2007/08 R'000	2006/07 R'000
<b>23. EMPLOYEE BENEFIT PROVISION</b>			
Leave entitlement		89,857	47,313
Thirteenth cheque		68,372	60,477
Performance awards		-	-
Capped leave commitments		123,174	115,231
<b>Total</b>		<b>281,403</b>	<b>223,021</b>

**24. LEASE COMMITMENTS**

**a. Operating leases**

2007/2008	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	411	411
Later than 1 year and not later than 5 years	-	-	198	198
Later than five years	-	-	-	-
<b>Total present value of lease liabilities</b>	<b>-</b>	<b>-</b>	<b>609</b>	<b>609</b>

2006/2007	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	621	621
Later than 1 year and not later than 5 years	-	-	341	341
Later than five years	-	-	-	-
<b>Total present value of lease liabilities</b>	<b>-</b>	<b>-</b>	<b>962</b>	<b>962</b>

**b. Finance leases**

2007/2008	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	7,656	7,656
Later than 1 year and not later than 5 years	-	-	5,588	5,588
Later than five years	-	-	-	-
<b>Total present value of lease liabilities</b>	<b>-</b>	<b>-</b>	<b>13,244</b>	<b>13,244</b>

**Analysis**

Condoned	-	-	-	-
Not condoned	-	-	13,244	13,244
<b>Total</b>	<b>-</b>	<b>-</b>	<b>13,244</b>	<b>13,244</b>



## FREE STATE PROVINCE Department of Health

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### DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

2006/2007	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	8,204	8,204
Later than 1 year and not later than 5 years	-	-	14,003	14,003
Later than five years	-	-	-	-
<b>Total present value of lease liabilities</b>	<b>-</b>	<b>-</b>	<b>22,207</b>	<b>22,207</b>
<b>Analysis</b>				
Condoned	-	-	3,187	3,187
Not condoned	-	-	19,020	19,020
<b>Total</b>	<b>-</b>	<b>-</b>	<b>22,207</b>	<b>22,207</b>

	2007/08 R'000	2006/07 R'000
<b>25. RECEIVABLES FOR DEPARTMENTAL REVENUE</b>		
Sales of goods and services other than capital assets	120,396	116,347
<b>Total</b>	<b>120,396</b>	<b>116,347</b>
<b>26. IRREGULAR EXPENDITURE</b>		
<b>26.1 Reconciliation of irregular expenditure</b>		
Opening balance	29,867	6,288
Add: Irregular expenditure – current year	116,804	32,297
Less: Amounts condoned	161	8,718
Current expenditure	161	4,497
Expenditure for capital assets	-	4,221
<b>Irregular expenditure awaiting condonement</b>	<b>146,510</b>	<b>29,867</b>
<b>Analysis of awaiting condonement per classification</b>		
Current expenditure	78,397	10,723
Transfers and subsidies	29,786	-
Expenditure for capital assets	38,327	19,594
	<b>146,510</b>	<b>29,867</b>
<b>Analysis of awaiting condonement per age classification</b>		
Current year	116,804	24,748
Prior years	29,706	5,119
<b>Total</b>	<b>146,510</b>	<b>29,867</b>

**Note:** The opening balance of irregular expenditure has been restated due to the fact that expenditure that does not classify as irregular expenditure was included in the irregular expenditure



**FREE STATE DEPARTMENT OF HEALTH  
VOTE 5**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2008**

	<i>Note</i>	<b>2007/08 R'000</b>	<b>2006/07 R'000</b>
<b>26.2 Irregular expenditure (Continued)</b>			
<b>Incident</b>	<b>Disciplinary steps taken / criminal proceedings</b>		
Non-adherence to departmental procedures	None	<b>146,131</b>	29,488
Irregular payments under investigation	None	<b>379</b>	379
		<b>146,510</b>	29,867

**27. RELATED PARTY TRANSACTIONS**

**Note:** 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 that the following number of Hospitals, Clinics and Community Health Centres are occupied by the Free State Department of Health, rent free:

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

**Revenue received/(paid)**

Sales of goods and services other than capital assets	<b>278,879</b>	293,423
<b>Total</b>	<b>278,879</b>	293,423

**Balances between department and related party**

Non-interest bearing loans to / (from)	<b>24,000</b>	22,000
Creditor balances	<b>53,281</b>	50,445
<b>Total</b>	<b>77,281</b>	72,445

**28. KEY MANAGEMENT PERSONNEL**

	<b>No. of Individuals</b>		
Political office bearers (provide detail below)	1	<b>949</b>	862
Officials			
Level 15 to 16	5	<b>4,119</b>	2,609
Level 14	6	<b>5,303</b>	3,010
Family members of key management personnel	16	<b>2,847</b>	335
<b>Total</b>		<b>13,218</b>	6,816



**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
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**29. PUBLIC PRIVATE PARTNERSHIP**

A PPP agreement was signed with the Community Health Management (CHM) on 25 November 2002 through which private health facilities are developed at Universitas and Pelonomi hospitals in partnership with the department. This implies that a public health facility is used by the private sector in exchange for financial and other benefits.

The concession agreement is a very tightly negotiated contract that has clauses indicating the amounts, timing and procedure for determining the future cash flows. The Service Level Agreement is meant to ensure the Health Department (HD) complies with the provisions as outlined and the Code of Conduct ensures that the two parties operate in a spirit that is not harmful to each other.

In terms of the agreement, Community Health Management has the right to use certain under-utilized resources at Pelonomi and Universitas Hospital. These resources are general beds, intensive care unit beds and operating theatres.

In terms of the agreement, Community Health Management has to upgrade Pelonomi and Universitas Hospitals.

The Provincial Government shall be entitled to terminate the aforementioned agreement at any time on 6 months written notice to Community Health Management.

The monitoring of the concession agreement is to be managed by a Liaison Committee that has joint representation. The health department has appointed a project manager who will ensure that the spirit and letter of the agreement is implemented.

At the end of the Concession Period of 15 years the HD will receive back from CHM the upgraded facilities that had been used by CHM during the concession. It is a clear condition of the contract that these are to be handed back in good condition, fair wear and tear accepted. Assuming that the upgraded building will have a useful life of 25 years, this means there will be remaining 10 years life for the HD to benefit from.

	<i>Note</i>	<b>2007/08</b> <b>R'000</b>	<b>2006/07</b> <b>R'000</b>
<b>Contract fee received (specify)</b>			
Fixed and variable fee received		<u>4,041</u>	<u>2,400</u>
		<u><b>4,041</b></u>	<u><b>2,400</b></u>

**30. PROVISIONS**

**Potential irrecoverable debts**

Staff debtors	<b>5,088</b>	3,200
Patient fees	<u><b>71,771</b></u>	<u>62,599</u>
<b>Total</b>	<u><b>76,859</b></u>	<u><b>65,799</b></u>



FREE STATE DEPARTMENT OF HEALTH  
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DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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31. TANGIBLE CAPITAL ASSETS

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED  
31 MARCH 2008

	Opening balance	Current Year Adjustmen ts to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>BUILDING AND OTHER FIXED STRUCTURES</b>	<b>2,614</b>	<b>(3,226)</b>	<b>8,373</b>	<b>-</b>	<b>7,761</b>
Dwellings	200	(200)	-	-	-
Non-residential buildings	1,327	(1,959)	8,373	-	7,741
Other fixed structures	979	(959)	-	-	20
Heritage assets	108	(108)	-	-	-
<b>MACHINERY AND EQUIPMENT</b>	<b>573,782</b>	<b>(23,147)</b>	<b>91,846</b>	<b>35,064</b>	<b>607,417</b>
Transport assets	112,721	(2,035)	25,901	21,639	114,948
Computer equipment	108,870	(18,182)	6,978	3,198	94,468
Furniture and office equipment	22,897	(1,763)	5,015	639	25,510
Other machinery and equipment	329,294	(1,167)	53,952	9,588	372,491
<b>LAND AND SUBSOIL ASSETS</b>	<b>33</b>	<b>(33)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Mineral and similar non-regenerative resources	33	(33)	-	-	-
<b>BIOLOGICAL AND CULTIVATED ASSETS</b>	<b>12</b>	<b>(12)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Biological and cultivated assets	12	(12)	-	-	-
<b>TOTAL TANGIBLE ASSETS</b>	<b>576,441</b>	<b>(26,418)</b>	<b>100,219</b>	<b>35,064</b>	<b>615,178</b>



**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2008

**31.1 ADDITIONS TO TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008**

	Cash	Non-cash	(Capital Work in Progress current costs)	Received current, not paid (Paid current year, received prior year)	Total
	Cost	Fair Value/R1	Cost	Cost	Cost
	R'000	R'000	R'000	R'000	R'000
<b>BUILDING AND OTHER FIXED STRUCTURES</b>	<b>227,845</b>	<b>-</b>	<b>(219,472)</b>	<b>-</b>	<b>8,373</b>
Non-residential buildings	227,845	-	(219,472)	-	8,373
<b>MACHINERY AND EQUIPMENT</b>	<b>75,316</b>	<b>16,139</b>	<b>-</b>	<b>391</b>	<b>91,846</b>
Transport assets	24,656	1,191	-	54	25,901
Computer equipment	6,255	608	-	115	6,978
Furniture and office equipment	4,106	937	-	(28)	5,015
Other machinery and equipment	40,299	13,403	-	250	53,952
<b>TOTAL</b>	<b>303,161</b>	<b>16,139</b>	<b>(219,472)</b>	<b>391</b>	<b>100,219</b>

**31.2 DISPOSALS OF TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008**

	Sold for cash (Cost)	Non-cash fair value	Total cost	Cash Received Actual
	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>18,506</b>	<b>16,558</b>	<b>35,064</b>	<b>2,814</b>
Transport assets	11,777	9,862	21,639	2,654
Computer equipment	72	3,126	3,198	-
Furniture and office equipment	68	571	639	134
Other machinery and equipment	6,589	2,999	9,588	26
<b>TOTAL</b>	<b>18,506</b>	<b>16,558</b>	<b>35,064</b>	<b>2,814</b>



FREE STATE DEPARTMENT OF HEALTH  
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DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2008

31.3 MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED  
31 MARCH 2007

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
<b>BUILDING AND OTHER FIXED STRUCTURES</b>	<b>2,171</b>	<b>77,370</b>	<b>76,927</b>	<b>2,614</b>
Dwellings	200	-	-	200
Non-residential buildings	901	77,306	76,880	1,327
Other fixed structures	962	64	47	979
Heritage assets	108	-	-	108
<b>MACHINERY AND EQUIPMENT</b>	<b>496,721</b>	<b>96,857</b>	<b>19,796</b>	<b>573,782</b>
Transport assets	84,813	31,244	3,336	112,721
Computer equipment	97,939	14,507	3,576	108,870
Furniture and office equipment	20,797	2,414	314	22,897
Other machinery and equipment	293,172	48,692	12,570	329,294
<b>LAND AND SUBSOIL ASSETS</b>	<b>33</b>	<b>-</b>	<b>-</b>	<b>33</b>
Mineral and similar non-regenerative resources	33	-	-	33
<b>BIOLOGICAL AND CULTIVATED ASSETS</b>	<b>12</b>	<b>-</b>	<b>-</b>	<b>12</b>
Biological and cultivated assets	12	-	-	12
<b>TOTAL TANGIBLE ASSETS</b>	<b>498,937</b>	<b>174,227</b>	<b>96,723</b>	<b>576,441</b>

32. INTANGIBLE CAPITAL ASSETS

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED  
31 MARCH 2008

	Opening balance R'000	Current Year Adjust- ments to prior year balances R'000	Additions R'000	Disposals R'000	Closing Balance R'000
COMPUTER SOFTWARE	1,776	(1,805)	1,004	-	975
<b>TOTAL INTANGIBLE ASSETS</b>	<b>1,776</b>	<b>(1,805)</b>	<b>1,004</b>	<b>-</b>	<b>975</b>



## FREE STATE PROVINCE

### Department of Health

#### NOTES

#### DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

##### 32.1 ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008

	Cash	Non-Cash	(Develop- ment work in progress – current costs)	Received current year, not paid (Paid current year, received prior year)	Total
	Cost	Fair Value/R1	Cost	Cost	Cost
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	1,004	-	-	-	1,004
<b>TOTAL</b>	<b>1,004</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,004</b>

##### 32.2 MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2007

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	1,117	701	42	1,776
<b>TOTAL</b>	<b>1,117</b>	<b>701</b>	<b>42</b>	<b>1,776</b>



FREE STATE DEPARTMENT OF HEALTH  
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS RECEIVED

Name of Department	Grant Allocation				Spent		2006/07	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by department	Amount spent by department	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>Division of Revenue Act</b>								
Health Professions and Training Grant	97,143	-	-	-	97,143	97,143	92,517	92,517
Comprehensive HIV & AIDS Grant	153,646	-	-	-	153,646	153,646	142,265	142,265
Hospital Revitalisation Grant	90,419	-	-	-	90,419	90,419	59,598	63,810
National Tertiary Services Grant	480,945	-	-	-	480,945	480,945	458,043	458,043
Forensic Pathology Grant	30,422	11,291	-	-	41,713	41,713	46,883	35,591
Enhancement Infrastructure Grant	86,491	-	-	-	86,491	86,491	82,373	74,376
<b>Provincial Grants</b>								
Provincial Infrastructure Grant	30,000	-	-	-	30,000	30,000	51,365	51,365
<b>Total</b>	<b>969,066</b>	<b>11,291</b>	<b>-</b>	<b>-</b>	<b>980,357</b>	<b>980,357</b>	<b>994,373</b>	<b>933,044</b>
								<b>917,967</b>



## FREE STATE PROVINCE Department of Health

### FREE STATE DEPARTMENT OF HEALTH VOTE 5

#### ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

#### ANNEXURE 1E STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

Name of Municipality	Grant Allocation			Transfer		Spent		2006/07
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by municipality	
	R'000	R'000	R'000	R'000	R'000	%	R'000	
<b>Xhariep</b>								
Kopanong	-	-	-	-	-	-	-	80
Letsemeng	-	-	-	-	-	-	-	80
Mohokare	-	-	-	-	-	-	-	80
<b>Moteo</b>								
Mangaung	-	-	7,200	7,200	6,849	95.1 %	6,848	14,858
Mantsopa	-	-	-	-	-	-	-	55
Naledi	-	-	-	-	-	-	-	50
<b>Lejweleputswa</b>								
Masilonyane	-	-	-	-	-	-	-	150
Tokologo	-	-	-	-	-	-	-	150
Tswelopele	-	-	-	-	-	-	-	150
Mathlabeng	-	-	-	-	-	-	-	1,150
Nala	-	-	-	-	-	-	-	150
<b>Thabo Mofutsanyane</b>								
Setso	-	-	-	-	-	-	-	100



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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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Dichlabeng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100
Nketoana	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100
Maluti	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100
Pumelela	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100
<b>Fezile Dabi</b>																				
Moghaka	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	36
Ngwathe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	142
Metsimaholo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	97
Mafube	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	63
<b>Total</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17,791



# FREE STATE PROVINCE

## Department of Health

### FREE STATE DEPARTMENT OF HEALTH VOTE 5

### ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

#### ANNEXURE 1F

#### STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

Name of Municipality	Grant Allocation				Transfer		Spent			2006/07
	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	
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	Total Available
Xhariep	-	-	-	-	-	-	-	-	-	202
Motheo	-	-	-	-	-	-	-	-	-	1,072
Lejweleputswa	-	-	-	-	-	-	-	-	-	347
Thabo	-	-	-	-	-	-	-	-	-	232
Mofutsanyane	-	-	-	-	-	-	-	-	-	375
Fezile Dabi	-	-	-	-	-	-	-	-	-	375
<b>Total</b>	-	-	-	-	-	-	-	-	-	<b>2,228</b>



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for the year ended 31 March 2008

ANNEXURE 1G

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

Department/ Agency/ Account	Transfer Allocation				Transfer		2006/07 Final Appropriation Act
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	R'000
Medical Trading Account – Capital Supplement	2,000	-	-	2,000	2,000	100.0 %	-
<b>Total</b>	<b>2,000</b>	<b>-</b>	<b>-</b>	<b>2,000</b>	<b>2,000</b>	<b>-</b>	<b>-</b>



# FREE STATE PROVINCE

## Department of Health

### FREE STATE DEPARTMENT OF HEALTH VOTE 5

### ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

#### ANNEXURE 11

#### STATEMENT OF TRANSFERS TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

(Name of Public Corporation /Private Enterprise)	Transfer Allocation				Expenditure			2006
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Capital Current	
	R'000	R'000	R'000	R'000	R'000	%	R'000	
<b>Private Enterprises</b>								
Injuries on Duty: Employees	300	-	-	300	84	28.0	-	
<b>Total</b>	<b>300</b>	<b>-</b>	<b>-</b>	<b>300</b>	<b>84</b>		<b>-</b>	
								<b>Tot: Avail: R'</b>



FREE STATE DEPARTMENT OF HEALTH  
VOTE 5  
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2008

ANNEXURE 1K

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

Non-profit Institutions	Transfer Allocation			Expenditure		2006/07 Final Appropriation Act
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred
	R'000	R'000	R'000	R'000	R'000	%
<b>Transfers</b>						
Transfers to non Governmental Organisations	30,178	-	-	30,178	32,109	106.4 %
<b>Total</b>	<b>30,178</b>	<b>-</b>	<b>-</b>	<b>30,178</b>	<b>32,109</b>	<b>20,877</b>



**FREE STATE DEPARTMENT OF HEALTH**  
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2008

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

Households	Transfer Allocation			Expenditure		2006/07 Final Appropriation Act
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred
	R'000	R'000	R'000	R'000	R'000	%
<b>Transfers</b>						
Leave Gratuity, Retirement and Severance Packages	7,579	-	-	7,579	8,433	111.3 %
Bursaries to non-employees	23,986	-	-	23,986	22,947	95.7 %
<b>Total</b>	<b>31,565</b>	<b>-</b>	<b>-</b>	<b>31,565</b>	<b>31,380</b>	<b>21,860</b>

FREE STATE DEPARTMENT OF HEALTH  
VOTE 5

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2008

ANNEXURE 1M

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

Name of Organisation	Nature of Gift, Donation or Sponsorship	2007/08	2006/07
		R'000	R'000
<b>Received in kind</b>			
University of the Free State	Assets	14	2,058
Frankford	Assets	-	50
Harry Gwala	Assets	-	7
National Hospital	Assets	-	1
Zamdela	Assets	-	65
Elizabeth Ross	Assets	-	16
S.A.I. Interior	Assets	25	-
Marcus Medical	Assets	3	-
Department of Ophthalmology	Assets	4	-
MSH	Assets	134	-
Mindset Network	Assets	12	-
Celtic Football Club	Assets	25	-
Elizabeth Glazier Paediatric	Assets	49	-
<b>Total</b>		<b>266</b>	<b>2,197</b>





## FREE STATE PROVINCE Department of Health

### FREE STATE DEPARTMENT OF HEALTH VOTE 5

#### ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

##### NEXURE 1N

##### STATEMENT OF LOCAL AND FOREIGN 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 for HIV & AIDS prevention in the Free State Province.	2,888	2,700	3,137	2,45
Belgium Government Aid	Support to reduce the burden of tuberculosis, HIV & AIDS prevention in the Free State Province.	287	800	878	20
Denish Government Aid	Support to Primary Health Care Delivery and Capacity building for HIV & AIDS and Voluntary Counselling and Testing in the Free State.	166	2,582	1,373	1,37
British Union Aid	Support to District Health Care and Psychiatric Services.	1	-	-	
Global AIDS	To develop and strengthen the TB and HIV & AIDS data monitoring at District level in the Free State Province.	754	1,789	972	1,571
WSETA	Skills development of employed and unemployed individuals through Learnerships, Bursaries and Internships.	2,885	1,541	1,422	3,004
U PDPHCP	To develop and strengthen co-operation between NGO's and the Department of Health.	-	10,000	1,441	8,559
<b>Total</b>		<b>6,981</b>	<b>19,412</b>	<b>9,223</b>	<b>17,170</b>



FREE STATE DEPARTMENT OF HEALTH  
VOTE 5

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2008

ANNEXURE 3A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2008 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2007	Guarantees draw downs during the year	Guarantees repaid/cancelled/reduced/released during the year	Revaluations	Closing balance 31 March 2008	Guaranteed interest for year ended 31 March 2008	Realised recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Standard Bank Nedbank First Rand - FNB BOE Bank ABSA Company Unique Finance (PTY) Ltd Peoples Bank Old Mutual Division of Nedbank Free State Development Corporation GBS Mutual	Housing Guarantees	3,901	396	-	128	-	268	-	-
		1,928	1,041	-	550	-	491	-	-
		4,780	2,895	92	469	-	2,518	-	-
		47	47	-	15	-	32	-	-
		33,039	3,934	74	1,245	-	2,763	-	-
		946	517	-	295	-	222	-	-
		3,361	430	-	283	-	147	-	-
		8,441	3,959	11	1,163	-	2,807	-	-
		2,195	1,506	113	543	-	1,076	-	-
		74	-	-	-	-	-	-	-



## FREE STATE PROVINCE Department of Health

### FREE STATE DEPARTMENT OF HEALTH VOTE 5

#### ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

Grantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2007	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2008	Guaranteed interest for year ended 31 March 2008	Realised recoveries i.e. claim paid on
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'
no Financial institutions	Housing Guarantees (continued)	52	51	-	-	-	51	-	-
Financial institutions		9	9	-	9	-	-	-	-
South African Home Loans Bank Ltd		3,486	1,006	-	362	-	644	-	-
South African Home Loans Bank Ltd		19	60	19	-	-	79	-	-
South African Home Loans Bank Ltd		-	69	-	69	-	-	-	-
South African Home Loans Bank Ltd		-	1,145	-	695	-	450	-	-
<b>Total</b>		<b>62,278</b>	<b>17,065</b>	<b>309</b>	<b>5,826</b>	<b>-</b>	<b>11,548</b>	<b>-</b>	<b>-</b>

Note: The opening balances of Housing Loan Guarantees have been restated due to system errors.



FREE STATE DEPARTMENT OF HEALTH  
VOTE 5

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2008

ANNEXURE 3B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2008

Nature of Liability	Opening Balance 01/04/2007	Liabilities incurred during the year	Liabilities paid/cancelled/reduced during the year	Liabilities recoverable(Provide details hereunder)	Closing Balance 31/03/2008
	R'000	R'000	R'000	R'000	R'000
<b>Claims against the department</b>					
Medico Legal Claims received- pending	31,461	6,897	1,010	-	37,348
Claims against the state that has not been settled	964	496	(94)	-	1,554
<b>Total</b>	<b>32,425</b>	<b>7,393</b>	<b>916</b>	<b>-</b>	<b>38,902</b>



## FREE STATE PROVINCE Department of Health

### FREE STATE DEPARTMENT OF HEALTH VOTE 5

#### ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

#### ANNEXURE 4

##### INTER-GOVERNMENT RECEIVABLES

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2008	31/03/2007	31/03/2008	31/03/2007	31/03/2008	31/03/2007
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Department</b>						
Correctional Services	-	11	-	-	-	11
Health KZN	-	1	-	-	-	1
Health Limpopo	-	93	-	-	-	93
Health National	-	-	-	-	-	-
Justice National	-	1	-	-	-	1
Provincial Government Western Cape	-	-	-	-	-	-
SA Defence	-	-	-	-	-	-
Tourism Free State	-	-	-	-	-	-
Health Mpumalanga	-	1	-	-	-	1
Health Eastern Cape	-	-	-	-	-	-
Health Gauteng	-	71	-	-	-	71
Government Employees Pension Fund	-	2	-	-	-	2
Health North West	-	5	-	-	-	5
South African Social Security Agency	-	1	-	-	-	1
<b>Total</b>	-	186	-	-	-	186



**FREE STATE DEPARTMENT OF HEALTH  
VOTE 5**

**ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2008**

**ANNEXURE 5**

**INTER-GOVERNMENT PAYABLES**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2008	31/03/2007	31/03/2008	31/03/2007	31/03/2008	31/03/2007
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Departments</b>						
<b>Current</b>						
Public Works, Roads and Transport - FS	7,630	-	3,702	23,922	11,332	23,922
Office of the Premier	40	-	-	21	40	21
Public Safety	-	-	-	140	-	140
Justice	-	13	-	-	-	13
Social Development	-	-	-	2	-	2
National Department of Health	-	-	87	-	87	-
Government Garage	-	-	-	19,889	-	19,889
Foreign Affairs	-	-	-	10	-	10
<b>Total</b>	<b>7,670</b>	<b>13</b>	<b>3,789</b>	<b>43,984</b>	<b>11,459</b>	<b>43,997</b>



## FREE STATE PROVINCE Department of Health

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## REPORT OF THE AUDITOR-GENERAL TO THE FREE STATE LEGISLATURE ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF THE CENTRAL MEDICAL TRADING ACCOUNT FOR THE YEAR ENDED 31 MARCH 2008

### REPORT ON THE FINANCIAL STATEMENTS

#### Introduction

1. I have audited the accompanying financial statements of the Central Medical Trading Account which comprise the balance sheet as at 31 March 2008, income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 255 to 276.

#### Responsibility of the accounting officer for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Statements of Generally Accepted Accounting Practice (SA Statements of GAAP) and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA). This responsibility includes:
  - designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
  - selecting and applying appropriate accounting policies
  - making accounting estimates that are reasonable in the circumstances.

#### Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 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 the International Standards on Auditing and *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on 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.
6. An audit also includes evaluating the:
  - appropriateness of accounting policies used
  - reasonableness of accounting estimates made by management



7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Opinion

8. In my opinion the financial statements present fairly, in all material respects, the financial position of the Central Medical Trading Account as at 31 March 2008 and its financial performance and cash flows for the year then ended, in accordance with SA Statements of GAAP and in the manner required by the PFMA.

### Emphasis of matter

9. Without qualifying my audit opinion, I draw attention to the following matter:

#### Irregular expenditure

10. As disclosed in note 19 to the financial statements, irregular expenditure to the amount of R1 564 140 was incurred, as proper quotations and approval procedures were not followed.

### OTHER MATTERS

Without qualifying my audit opinion, I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements:

#### Non-compliance with applicable legislation

##### Treasury Regulations

11. Payments amounting to R51 398 121 were not made within 30 days of the date of receipt of the invoice, as required by Treasury Regulation 8.2.3.

#### Matters of governance

12. The PFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of certain key governance responsibilities, which I have assessed as follows:

Matter of governance	Yes	No
<b>Audit committee</b>		
• The trading entity had an audit committee in operation throughout the financial year.		X
• The audit committee operates in accordance with approved, written terms of reference.		X
• The audit committee substantially fulfilled its responsibilities for the year, as set out in section 77 of the PFMA and Treasury Regulation 3.1.10.		X
<b>Internal audit</b>		
• The trading entity had an internal audit function in operation throughout the financial year.	X	



Matter of governance	Yes	No
• The internal audit function operates in terms of an approved internal audit plan.		X
• The internal audit function substantially fulfilled its responsibilities for the year, as set out in Treasury Regulation 3.2.		X
<b>Other matters of governance</b>		
The annual financial statements were submitted for audit as per the legislated deadlines (section 40 of the PFMA).	X	
The financial statements submitted for audit were not subject to any material amendments resulting from the audit.		X
No significant difficulties were experienced during the audit concerning delays or the unavailability of expected information and/or the unavailability of senior management.	X	
The prior year's external audit recommendations have been substantially implemented.	X	

## OTHER REPORTING RESPONSIBILITIES

### REPORT ON PERFORMANCE INFORMATION

13. I have reviewed the performance information as set out on pages 115 to 120.

#### Responsibility of the accounting officer for the performance information

14. The accounting officer has additional responsibilities as required by section 40(3)(a) of the PFMA to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of the trading entity.

#### Responsibility of the Auditor-General

15. I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*.

16. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.

#### Audit findings (performance information)

17. I believe that the evidence I have obtained is sufficient and appropriate to report that no significant findings have been identified as a result of my review.

## OTHER REPORTS

### Investigations

18. An investigation is being conducted to probe the manner in which procurement of goods and services were awarded since the 2002 financial period. The investigation aims to establish whether appropriate procedures were followed and was still ongoing at the reporting date.



## FREE STATE PROVINCE Department of Health

19. The assistance rendered by the staff of the Central Medical Trading Account during the audit is sincerely appreciated.

*Auditor-General*

Bloemfontein

31 July 2008



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



CENTRAL MEDICAL TRADING ACCOUNT

BALANCE SHEET  
at 31 March 2008

	Note	2007/08 R'000	2006/07 R'000 (Restated)
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment	2	1,040	392
<b>Current assets</b>			
Inventory	3	94,066	104,798
Trade and other receivables	4	36,504	36,231
Cash and cash equivalents	5	52,790	51,926
		4,772	16,641
<b>TOTAL ASSETS</b>		<b>95,106</b>	<b>105,190</b>
<b>EQUITY</b>			
<b>Capital and reserves</b>			
Accumulated surplus		14,085	8,491
		14,085	8,491
<b>TOTAL EQUITY</b>		<b>14,085</b>	<b>8,491</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	6	81,021	96,699
		81,021	96,699
<b>TOTAL LIABILITIES</b>		<b>81,021</b>	<b>96,699</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>95,106</b>	<b>105,190</b>

The notes on pages 89 to 106 are an integral part of these financial statements.



## FREE STATE PROVINCE Department of Health

### CENTRAL MEDICAL TRADING ACCOUNT

#### INCOME STATEMENT for the year ended 31 March 2008

	<i>Note</i>	2007/08 R'000	2006/07 R'000 (Restated)
Revenue		294,711	287,538
Cost of sales		<u>279,292</u>	<u>272,605</u>
<b>Gross profit</b>		<b>15,419</b>	<b>14,933</b>
Other income	7	11,231	6,967
Administrative expenses	8	10,632	10,514
Other operating expenses	9	<u>11,362</u>	<u>9,229</u>
<b>Operating profit/(loss)</b>		<b>4,656</b>	<b>2,157</b>
Finance income	10	938	694
<b>Net profit for the year</b>		<b><u>5,594</u></b>	<b><u>2,851</u></b>

The notes on pages 89 to 106 are an integral part of these financial statements.



# CENTRAL MEDICAL TRADING ACCOUNT

## STATEMENT OF CHANGES IN EQUITY for the year ended 31 March 2008

	Note	R'000
<b>Accumulated surplus</b>		
Restated opening balance as at 1 April 2006		5,640
Restated net profit for the year		<u>2,851</u>
Restated closing balance as at 31 March 2007	17.3	<u><b>8,491</b></u>
Opening balance as at 1 April 2007		8,491
Net profit for the year		<u>5,594</u>
Closing balance as at 31 March 2008		<u><b>14,085</b></u>

The notes on pages 259 to 277 are an integral part of these financial statements.



## FREE STATE PROVINCE Department of Health

### CASH FLOW STATEMENT for the year ended 31 March 2008

	Note	2007/08 R'000	2006/07 R'000 (Restated)
<b>Cash flows from operating activities</b>		<b>(10,956)</b>	4,195
Net cash/(cash deficit) generated from operating activities	11	<b>(11,894)</b>	3,501
Cash receipts from customers		<b>305,078</b>	286,316
Cash paid to suppliers and employees		<b>(316,972)</b>	(282,815)
Finance income		<b>938</b>	694
<b>Cash flows from investing activities</b>		<b>(913)</b>	(76)
Purchase of property, plant and equipment		<b>(913)</b>	(5,381)
Purchase of property, plant and equipment from grant received		-	5,305
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(11,869)</b>	4,119
Cash and cash equivalents at the beginning of the year		<b>16,641</b>	12,522
<b>Cash and cash equivalents at the end of the year</b>	5	<b>4,772</b>	16,641

The notes on pages 259 to 277 are an integral part of these financial statements.



## CENTRAL MEDICAL TRADING ACCOUNT

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

#### 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.

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 following statements were issued but not yet effective on balance sheet date:

Improved, Revised and Replaced South African Statements of GAAP effective for the first time for the June 2008 year-end				
Number	Title	Effective date	Executive summary	Impact on financial statements
Amendment to IAS 1 (AC 101)	Amendment to IAS 1 Presentation of Financial Statements - Capital Disclosures	1 Jan 2007	The amendment to IAS 1 (AC 101) introduces disclosures about the level of an entity's capital and how it manages its capital.	This will have no impact on the valuation and classification of the Trading Account's financial instruments or the disclosures relating to trade and other payables.
IFRS 7 (AC 144) and consequential amendments to IFRS 4 (AC 141) Implementation guidance	Financial Instruments: Disclosures  IFRS 4: Revised Implementation Guidance	1 Jan 2007	IFRS 7 (AC 144) introduces new requirements to improve the information on financial instruments that is given in entities' financial statements. It requires disclosures about the significance of financial instruments for an entity's financial position and performance. These disclosures incorporate many of the requirements previously in IAS 32 (AC 125). The Statement also requires information about the extent to which the entity is exposed to risks arising from financial instruments, and a description of management's objectives, policies and processes for managing those risks.	This will have no impact on the valuation and classification of the Trading Account's financial instruments or the disclosures relating to trade and other payables.



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2008

South African Statements of GAAP and amendments issued but not effective for the June 2008 year-end				
Number	Title	Effective date	Executive summary	Impact on financial statements
IFRS 8 (AC 145)	Operating Segments	1 Jan 2009	IFRS 8 (AC 145) requires an entity to adopt the 'management approach' to reporting on the financial performance of its operating segments. The Standard sets out requirements for disclosure of information about and entity's operating segments and also about the entity's products and services, the geographical areas in which it operates, and its major customers. The disclosure should enable users of its financial statements to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates.	The Trading Account will apply IFRS 8 from 1 January 2009. The number of reportable segments will change to be consistent with internal reporting.
IAS 23 (AC 114)	Borrowing Costs - Revised	1 Jan 2009	The main change from the previous version of IAS 23 (AC 114) is the removal of the option of immediately recognising as an expense borrowing costs that relate to assets that take a substantial period of time to get ready for use or sale.	This is currently not applicable on the Trading Account as there are no qualifying assets.
IAS 1 (AC 101)	Presentation of Financial Statements - Revised	1 Jan 2009	The revised IAS 1 (AC 101) requires information in financial statements to be aggregated on the basis of shared characteristics and to introduce a statement of comprehensive income. This will enable readers to analyse changes in a company's equity resulting from transactions with owners in their capacity as owners separately from 'non-owner' changes. The revisions include changes in the titles of some of the financial statements to reflect their function more clearly (for example, the balance sheet is renamed a statement of financial position). The new titles are not mandatory for use in financial statements.	The statement will be implemented from 1 January 2009.



**CENTRAL MEDICAL TRADING ACCOUNT**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2008

South African Statements of GAAP and amendments issued but not effective for the June 2008 year-end				
Number	Title	Effective date	Executive summary	Impact on financial statements
IAS 27 (AC 132)	Consolidated and Separate Financial Statements - Revised	1 Jul 2009	AS 27 (AC 132) (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control. They will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value and a gain or loss is recognised in profit or loss.	This statement is not applicable on the Trading Account as there are no group activities.
IFRS 3 (AC 140)	Business Combinations - Revised	1 Jul 2009	The new standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with some contingent payments subsequently re-measured at fair value through income. Goodwill may be calculated based on the parent's share of net assets or it may include goodwill related to the minority interest. All transaction costs will be expensed.	This statement is not applicable on the Trading Account as there are no business combinations.
Amendment to IFRS 2 (AC 139)	Amendment to IFRS 2 Share-Based Payment: Vesting Conditions and Cancellations	1 Jan 2009	The amendment deals with two matters. It clarifies that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. It also specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment.	This interpretation does not have any impact on the financial statements of the Trading Account.



## FREE STATE PROVINCE

### Department of Health

#### NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

South African Statements of GAAP and amendments issued but not effective for the June 2008 year-end				
Number	Title	Effective date	Executive summary	Impact on financial statements
IFRIC 10 (AC 443)	Interim Financial Reporting and Impairment	1 Nov 2006	IFRIC 10 (AC 443) prohibits the reversal of the impairment losses recognised in an interim period on goodwill and investments in equity instruments and financial assets carried at cost, at a subsequent balance sheet date.	This standard does not have an impact on the Trading Account's financial statements.
IFRIC 11 (AC 444)	IFRS 2 – Group and Treasury Share Transactions	1 March 2007	IFRIC 11 (AC 444) addresses how to apply IFRS 2 (AC 139) to share-based payment arrangements involving an entity's own equity instruments or equity instruments of another entity in the same group (e.g. equity instruments of its parent).	The Trading Account has no group or treasury share transactions. This statement does not have an impact on the financial statements of the Trading Account.

South African Statements of GAAP and amendments issued but not effective for the June 2008 year-end				
Number	Title	Effective date	Executive summary	Impact on financial statements
IFRIC 12 (AC 445)	Service Concession Arrangements	1 Jan 2008	IFRIC 12 (AC 445) addresses how service concession operators should apply existing Statements to account for the obligations they undertake and rights they receive in service concession arrangements.	IFRIC 12 is not relevant to the Trading Account's operations.
IFRIC 13 (AC 446)	Customer Loyalty Programmes	1 July 2008	IFRIC 13 (AC 446) addresses accounting by entities that grant loyalty award credits to customers who buy other goods or services. Specifically, it explains how such entities should account for their obligations to provide free or discounted goods or services to customers who redeem award credits.	IFRIC 13 is not relevant to the Trading Account's operations because the Trading Account does not operate any loyalty programmes.

South African Statements of GAAP and amendments issued but not effective for the June 2008 year-end				
Number	Title	Effective date	Executive summary	Impact on financial statements
IFRIC 14 (AC 447)	IAS 19 – The Limit on a Defined Benefit Asset,	1 Jan 2008	IFRIC 14 (AC 447) provides general guidance on how to assess the limit in IAS 19 (AC 116) on the amount of the	The statement is not expected to have an impact on the Trading Account's financial



## CENTRAL MEDICAL TRADING ACCOUNT

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

	Minimum Funding Requirements and their Interaction		surplus that can be recognised as an asset. It also explains how the pension asset or liability may be affected when there is a statutory or contractual minimum funding requirement.	statements.
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#### 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 an 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.

#### 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.



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2008**

**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 lost 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 only client of the Medical Depot. FSDOH takes full responsibility for the outstanding debt to the Medical Depot 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 ABSA Bank.

**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.

**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

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.

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the entity 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.

**1.10 Employee Benefits**

*Short-term employee benefits*



## CENTRAL MEDICAL TRADING ACCOUNT

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

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 Provincial Revenue 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:

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.



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2008

**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 effect 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 only 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 only 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 only client of the Central Medical Trading Account and all payments from the FSDOH 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.

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 2008	Less than 1 year	Later than 1 year
	R'000	R'000
Trade and other payables	81,021	-

**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



## CENTRAL MEDICAL TRADING ACCOUNT

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

- 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 occurred when expenditure was 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. This expenditure is evaluated for recoverability.

#### 1.17 Fruitless and wasteful expenditure

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



## FREE STATE PROVINCE Department of Health

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

2. Property, Plant and Equipment	Leasehold Improvements	Transport assets	Computer equipment	Furniture-, office equipment and other machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
<b>Year ended 31 March 2007</b>					
Opening carrying amount	-	57	154	400	611
Adjustments	-	152	(7)	(134)	11
Additions	5,305	-	31	34	5,370
Depreciation charge	-	(51)	(73)	(171)	(295)
Amount utilise from grant for leasehold improvements	(5,305)	-	-	-	(5,305)
<b>Closing carrying amount</b>	<b>-</b>	<b>158</b>	<b>105</b>	<b>129</b>	<b>392</b>
<b>At 31 March 2007</b>					
Cost	6,962	95	523	1,014	8,594
Adjustment of cost	-	159	187	(119)	227
Total cost	6,962	254	710	895	8,821
Accumulated depreciation	-	(89)	(411)	(751)	(1,251)
Adjustment of accumulated depreciation	-	(7)	(194)	(15)	(216)
Total accumulated depreciation	-	(96)	(605)	(766)	(1,467)
Amount utilised from grant for leasehold improvements	(6,962)	-	-	-	(6,962)
<b>Carrying amount</b>	<b>-</b>	<b>158</b>	<b>105</b>	<b>129</b>	<b>392</b>
<b>Year ended 31 March 2008</b>					
Opening carrying amount	-	158	105	129	392
Donated assets	-	140	10	146	296
Additions	-	105	607	201	913
Depreciation charge for current year	-	(100)	(152)	(253)	(505)
Depreciation on assets written off in previous years	-	-	(20)	(36)	(56)
<b>Closing carrying amount</b>	<b>-</b>	<b>303</b>	<b>550</b>	<b>187</b>	<b>1,040</b>
<b>At 31 March 2008</b>					
Cost	6,962	499	1,327	1,242	10,030
Accumulated depreciation	-	(196)	(777)	(1,055)	(2,028)
Amount utilised from grant for leasehold improvement	(6,962)	-	-	-	(6,962)
<b>Carrying amount</b>	<b>-</b>	<b>303</b>	<b>550</b>	<b>187</b>	<b>1,040</b>



## CENTRAL MEDICAL TRADING ACCOUNT

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

#### **Donated assets**

Donated assets represents assets that were taken over in 2000 when the functions of the Standard Stock Depot were decentralised. The value of the donated assets were determined by an external independent valuer. These assets were only recognised in the current financial year at fair value as follows: Assets < R5000 were capitalised and fully depreciated in the current year. Assets > R5000 are capitalised and depreciated over their useful lives. All donated assets were also recognised as income (See note 7 for other income).

#### **Additions**

Additions above include assets of R56 000 previously expensed through the income statement. A decision was taken by management to capitalise all assets < R5000 and also depreciate them in the same year of purchase. This recognition of the R56 000 impacted only on the cost and accumulated depreciation of assets.

	Note	2007/08 R'000	2006/07 R'000
<b>3. Inventory</b>			
Medical inventory		29,460	30,323
Hospital stationery		676	497
Consumables		6,368	5,411
		<b>36,504</b>	<b>36,231</b>

#### **4. Trade and other receivables**

Trade receivables	4.1	52,587	51,731
Interest receivable		47	55
Staff debtors		102	61
Salary debt		13	16
Other		41	63
		<b>52,790</b>	<b>51,926</b>

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 only client of MEDPAS. As 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	53,281	52,231
Less: Adjustment for deferred payment terms	(694)	(500)
Trade receivables after deferred payment terms have been taken into account	<b>52,587</b>	<b>51,731</b>

The adjustment for deferred payment terms are based on cash flows adjusted using the prime interest rate of 15% as at 31 March 2008.



## FREE STATE PROVINCE Department of Health

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

	<i>Note</i>	2007/08 R'000	2006/07 R'000
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#### 5. Cash and cash equivalent

ABSA current account		4,770	16,640
Cash on hand		2	1
		<u>4,772</u>	<u>16,641</u>

For the purpose of the cash flow statement, the year-end cash and cash equivalents comprise of the following:

Cash and cash equivalent			
ABSA current account		4,770	16,640
Cash on hand		2	1
		<u>4,772</u>	<u>16,641</u>

#### 6. Trade and other payables

Trade payables	6.1	31,651	50,170
Sundry creditors	6.1	995	513
Government assistance		24,000	22,000
Grants received from Provincial Treasury	6.2	109	109
Leave accrual		1,010	656
Service bonus accrual		261	256
Bridging finance received from the Provincial Revenue Fund		22,995	22,995
		<u>81,021</u>	<u>96,699</u>

The amount for the Government Grant as disclosed above is assistance received from the Free State Department of Health to improve the cash flow status of the Central Medical Trading Account. The amount carries no interest and is refundable to the Free State Department of Health on request. The amount of R22,995 million from the Provincial Revenue Fund is with regard to bridging finance provided by the Provincial Revenue Fund. The amount carries no interest and is refundable on request.

##### 6.1 Trade payables and sundry creditors

Trade payables and sundry creditors at amortised cost	32,975	50,958
Less: Adjustment for deferred payment terms	(329)	(275)
Trade payables and sundry creditors after deferred payment terms have been taken into account	<u>32,646</u>	<u>50,683</u>

The adjustment for deferred payment terms are based on cash flows adjusted using the prime interest rate of 15% as at 31 March 2008.

##### 6.2 Grant received from Provincial Treasury - Profit

Opening Balance	109	5,414
Capital expenditure on Leasehold Improvements	-	(5,305)
Closing Balance	<u>109</u>	<u>109</u>



**CENTRAL MEDICAL TRADING ACCOUNT**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2008**

The closing balance of R109 000 above will be surrendered to the Provincial Revenue Fund. 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. The funds was spend on Leasehold Improvements during the 2005/2006 and 2006/2007 financial years.

	<i>Note</i>	<b>2007/08</b> <b>R'000</b>	<b>2006/07</b> <b>R'000</b>
<b>7. Other income</b>			
Inventory surplus		3,769	1,563
Sundries		69	6
Commission received		14	13
Donated Assets		295	-
Notional interest – deferred payment terms on receivables		7,084	5,385
		<b>11,231</b>	<b>6,967</b>
<b>8. Administrative expenses</b>			
Staff costs		8,819	8,523
- Salaries and wages		7,355	7,496
- Social contributions		1,464	1,027
Communication		231	247
<b>8. Administrative expenses (continued)</b>			
Computer Services		742	873
Audit Fees		401	452
Printing & stationery		358	258
Other administrative costs		81	161
		<b>10,632</b>	<b>10,514</b>
Average number of persons employed		74	76
<b>9. Other operating expenses</b>			
Operating lease expenditure		644	649
Repairs & maintenance		55	128
Security		438	456
Municipal services and levies		225	205
Consumables		429	213
Equipment		-	26
Professional services		2,603	2,485
Depreciation		505	295
Notional interest – deferred payment terms on payables		4,989	3,314
Stock shortages written off		1,474	1,458
		<b>11,362</b>	<b>9,229</b>



## FREE STATE PROVINCE Department of Health

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

	Note	2007/08 R'000	2006/07 R'000
<b>10. Finance income</b>			
Finance income:			
Finance income – Interest income on short term bank deposits		938	694
		<u>938</u>	<u>694</u>
<b>11. Cash/ (cash deficit) generated from operations</b>			
Net profit		5,594	2,851
Adjusted for:		(673)	(399)
Finance income		(938)	(694)
Depreciation		561	295
Donated assets recognised		(296)	-
Changes in working capital		(16,815)	1,049
Decrease/(increase) in inventories		(273)	(12,070)
Decrease/(increase) in trade receivables		(864)	(8,189)
Increase/(decrease) in trade payables		(15,678)	21,308
		<u>(11,894)</u>	<u>3,501</u>

The amount for depreciation above is different with R56 000 from the amount reflected in the income statement (note 9). This is due to assets worth R56 000 that were expensed in the income statement in previous years and not capitalised. The assets were recognised in the current financial year and impacted only on the cost and accumulated depreciation of assets.

### 12. Related party transactions

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	(301,989)	(293,423)
<b>Total</b>	<u>(301,989)</u>	<u>(293,423)</u>

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 Free State Department of Health providing bridging capital to the Central Medical Trading Account. (Refer to note 6 for the refundable conditions).

Balance between the Central Medical Trading Account and the Related Party



## CENTRAL MEDICAL TRADING ACCOUNT

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

	Note	2007/08 R'000	2006/07 R'000
Debit balances		53,281	52,231
Credit balances		(24,000)	(22,000)
<b>Total</b>		<b>29,281</b>	<b>30,231</b>

The debit balance of R53.281 million as reflected above is disclosed before deferred payment terms was taken into account.

#### Key Management Compensation

The Central Medical Trading Account and Department of Health have the same key management. Refer to note 28 in the financial statements of the Department of Health for details on the remuneration of key management.

#### 13. Operating leases

Operating lease expenditure	<b>644</b>	649
Minimum lease payments within the next 12 months	<b>619</b>	643
Amounts payable later than one year	<b>15</b>	-
	<b>634</b>	643

The above operating lease expenditure consists of:

- Lease of a photocopier for a period of three years. The lease commenced in February 2005 and expired in January 2008.
- Lease of the Central Medical Trading Account's office building and store from the Department of Public Works. The monthly lease amount is not escalating over the years. No end date of the contract is determined and therefore, no payments later than one year for the lease of the buildings is disclosed above.
- A new lease agreement for a photocopier for a period of three years was entered into during January 2008. The amounts payable for the lease are included in the payments for the next 12 months and payable later than one year.

#### 14. Contingent liability

##### 14.1 Housing Guarantees

State guarantees are in respect of housing loans of employees with financial institutions. The housing guarantees balance at 31 March 2008 amounted to R13 300.

#### 15. 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



## FREE STATE PROVINCE Department of Health

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

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 Provincial Revenue Fund and not in the financial statements of the Central Trading Account.

	2007/08 R'000	2006/07 R'000
<b>16. Expenses by nature</b>		
Cost of sales	279,292	272,605
Employee benefit expense	8,819	8,523
Operating lease expenditure	644	649
Professional services	2,603	2,485
Depreciation	505	295
Stock shortages	1,474	1,458
Computer services	742	873
Audit fees	401	452
Printing & stationery	358	258
Notional interest – deferred payment terms on payables	4,989	3,314
Other expenses	1,459	1,436
<b>Total cost of sales, other costs and administrative expenses</b>	<b>301,286</b>	<b>292,348</b>

#### 17. Prior year reclassifications

##### Other income and finance income

The amount for notional interest - deferred payment terms on receivables as disclosed in note 7, was disclosed in the previous year as finance income. The amount was reclassified as other income due to the nature of the transaction.

**The effect of the changes on the financials for the year ended 31 March 2007 is as follows:**

Increase in other income	5,385
Decrease in finance income	(5,385)
<b>Net effect on profit</b>	<b>-</b>

#### 17.2 Other operating expenses and finance cost

The amount for notional interest - deferred payment terms on payables as disclosed in note 9, was disclosed in the previous year as finance costs. The amount was reclassified as other operating expenses due to the nature of the transaction.

**The effect of the changes on the financials for the year ended 31 March 2007 is as follows:**

Increase in other operating expenses	3,314
Decrease in finance costs	(3,314)
<b>Net effect on profit</b>	<b>-</b>

#### 17.3 Accumulated surplus, other income and trade and other payables

Treasury Regulation 19.7.1 was interpreted previously that the surplus generated by a trading entity



## CENTRAL MEDICAL TRADING ACCOUNT

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

by the relevant treasury to be withhold to utilise for certain approved operations, had been recognised previously as a grant under other income in terms of IAS 20.

Clarity regarding the abovementioned issue was obtained during the current financial year. Treasury Regulation 19.7.1 stated that a trading entity should declare any surplus or deficit to the relevant treasury and the relevant treasury may require that the surplus be redeposited in the Exchequer bank account.

All un-surrendered surpluses, previously disclosed as a liability under trade and other payables, were transferred to equity disclosed as an accumulated surplus. All surpluses approved to be withhold, previously disclosed as a grant received under other income, were also transferred to equity disclosed as an accumulated surplus. The mentioned restatement was corrected retrospectively in terms of paragraph 42 and 29 of IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors.

**The effect of the changes on the financials for the year ended 31 March 2007 is as follows:**

Decrease in other income	5,051
<b>Net effect on profit – decrease</b>	<b>5,051</b>
Decrease in trade and other payables	(8,491)
<b>Net effect on liabilities – decrease</b>	<b>(8,491)</b>
Increase in accumulated surplus	8,491
<b>Net effect on equity – increase</b>	<b>8,491</b>

#### 17.4 Cash flow statement

The reclassification in 17.1, 17.2 and 17.3 above also impacted on the following line items in the cash flow statement for previous year.

Cash receipts from customers.  
Cash paid to suppliers and employees.

#### 18. Contingent liabilities

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 R14.085 million as at 31 March 2008 may be paid back to the relevant treasury on request.

#### 19. Irregular expenditure

Expenditure to the amount of R1,564,140 for pharmaceutical purchases is regarded as irregular expenditure due to certain Supply Chain Management (SCM) procedures and delegations that were not complied with.

#### 20. 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.



## FREE STATE PROVINCE Department of Health

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

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.



**FREE STATE DEPARTMENT OF HEALTH  
PRIVATE PATIENT FUND TRUST**

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**REPORT OF THE AUDITOR-GENERAL TO THE FREE STATE LEGISLATURE ON  
THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF THE  
PRIVATE PATIENT FUND TRUST FOR THE YEAR ENDED 31 MARCH 2008**

**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 position as at 31 March 2008, statement of financial performance, cash flow statement and the statement of changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 281 to 286.

**Responsibility of the accounting officer for the financial statements**

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Statements of Generally Accepted Accounting Practice (SA Statements of GAAP) and in the manner required by the Auditor - General audit circular 1 of 2007. This responsibility includes:
  - designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
  - selecting and applying appropriate accounting policies
  - making accounting estimates that are reasonable in the circumstances.

**Responsibility of the Auditor-General**

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 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 the International Standards on Auditing and *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on 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.



6. An audit also includes evaluating the:
- appropriateness of accounting policies used
  - reasonableness of accounting estimates made by management
  - overall presentation of the financial statements.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Opinion

8. In my opinion the financial statements present fairly, in all material respects, the financial position of the Private Patient Fund Trust as at 31 March 2008 and its financial performance and cash flows for the year then ended, in accordance with SA Statements of GAAP.

### APPRECIATION

9. The assistance rendered by the staff of the Private Patient Fund Trust during the audit is sincerely appreciated.

*Auditor-General*

Bloemfontein

31 July 2008



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



## FREE STATE PROVINCE Department of Health

### PRIVATE PATIENT FUND TRUST

#### DISCLOSURE OF 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 2007**

	<i>Note</i>	<b>2007/08</b> R	<b>2006/07</b> R
<b>INCOME</b>			
<b>Sales</b>		<b>1 911</b>	<b>12 381</b>
Cost of Sales		<b>(1 796)</b>	<b>(10 654)</b>
Opening inventory		<b>736</b>	-
Purchases		<b>1 060</b>	<b>11 390</b>
		<b>1 796</b>	<b>11 390</b>
Closing Inventory		-	(736)
Operating Income		<b>115</b>	<b>1 727</b>
<b>Other Income</b>		<b>57 352</b>	<b>42 894</b>
Interest Income	2	<b>18 141</b>	<b>12 516</b>
Projects:			
Kosmos		<b>11 464</b>	<b>9 598</b>
Rutanang		<b>27 747</b>	<b>20 780</b>
<b>TOTAL INCOME</b>		<b>57 467</b>	<b>44 621</b>
<b>EXPENDITURE</b>			
<b>TOTAL EXPENDITURE</b>		<b>32 753</b>	<b>44 975</b>
Bank Charges		<b>2 807</b>	<b>3 387</b>
Maintenance		-	470
Theft and losses		-	1 460
Projects: Kosmos		<b>10 710</b>	<b>13 235</b>
Rutanang		<b>19 236</b>	<b>26 422</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>24 714</b>	<b>(354)</b>



## FREE STATE PROVINCE

### Department of Health

#### STATEMENT OF FINANCIAL POSITION as at 31 March 2007

	Note	2007/08 R	2006/07 R
<b>ASSETS</b>			
<b>Current assets</b>		<b>354 628</b>	<b>314 991</b>
Inventory		-	736
Accounts Receivable	7	42	-
Cash and cash equivalents	3	354 586	314 255
<b>Total Assets</b>		<b>354 628</b>	<b>314 991</b>
<b>EQUITIES AND LIABILITIES</b>			
<b>Current liabilities</b>	5	<b>101 000</b>	<b>86 077</b>
Trade and other payables		101 000	86 077
<b>Capital and reserves</b>	4	<b>253 628</b>	<b>228 914</b>
Trust Fund Capital		253 628	228 914
<b>TOTAL NET ASSETS AND LIABILITIES</b>		<b>354 628</b>	<b>314 991</b>



**FREE STATE DEPARTMENT OF HEALTH  
PRIVATE PATIENT FUND TRUST**

**CASH FLOW STATEMENT**

for the year ended 31 March 2007

	<i>Note</i>	<b>2007/08</b> <b>R</b>	<b>2006/07</b> <b>R</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>40 331</b>	<b>8 757</b>
Net Cash/(cash deficit) generated from operations	6	<b>22 190</b>	<b>(3 759)</b>
Interest received/ (paid)		<b>18 141</b>	<b>12 516</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>40 331</b>	<b>8 757</b>
<b>Movement in cash and cash equivalents</b>			
End of the year		<b>354 587</b>	<b>314 255</b>
Beginning of the year		<b>314 255</b>	<b>305 498</b>
(Decrease)/increase		<b>40 331</b>	<b>8 757</b>



## FREE STATE PROVINCE Department of Health

PRIVATE PATIENT FUND TRUST

### STATEMENT OF CHANGES IN NET ASSETS for the year ended 31 March 2007

	R
<b>Trust Fund Capital</b>	
<b>Opening balance at 1 April 2006</b>	219 462
Payables not shown in previous year	-
Surplus/Deficit for the year	(354)
Prior year adjustment	9 806
<b>Balance as at 31 March 2007</b>	<u>228 914</u>
<b>Balance as at 1 April 2007</b>	228 914
Surplus/(Deficit) for the year	24 672
<b>Closing balance as at 31 March 2008</b>	<u>253 586</u>



**FREE STATE DEPARTMENT OF HEALTH  
PRIVATE PATIENT FUND TRUST**

**ACCOUNTING POLICIES  
for the year ended 31 March 2008**

**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 Accepted 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 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.



## FREE STATE PROVINCE Department of Health

### PRIVATE PATIENT FUND TRUST NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2007

	2007/08 R	2006/07 R
<b>2. INTEREST RECEIVED</b>		
Standard Bank 32 day deposit	<u>18 141</u>	<u>12 516</u>
<b>3. CASH AND CASH EQUIVALENTS</b>	<b>354 586</b>	<b>314 255</b>
Cash at bank	<b>106 803</b>	84 613
Standard bank deposit	<b>247 783</b>	229 642
<b>4. TRUST FUND CAPITAL</b>	<b>253 628</b>	<b>228 914</b>
Opening balance	<b>228 914</b>	219 462
Prior year adjustment	-	9 806
Net income for the year	<b>24 714</b>	(354)
<b>5. PAYABLES</b>	<b>101 000</b>	<b>86 077</b>
Private Patient Fund	<b>100 530</b>	85 607
Amount owed to Recreation Fund Trust	<b>470</b>	470
<b>6. CASH FLOW INFORMATION</b>		
<b>Cash/(cash deficit) generated from operations</b>	<b>22 190</b>	(3 759)
Net profit for the year	<b>24 714</b>	(354)
Adjustment for interest received	<b>(18 141)</b>	(12 516)
Prior year adjustment	-	9 806
Generated from decrease in/(utilized to increase) working capital	<b>15 617</b>	(695)
(Decrease)/increase in payables	<b>14 923</b>	41
Decrease/(increase) in accounts receivables	<b>(42)</b>	-
Decrease/(increase) in inventory	<b>736</b>	(736)
<b>7. Accounts Receivables</b>		
Staff Debtors	<u>42</u>	-



**FREE STATE DEPARTMENT OF HEALTH  
RECREATION FUND TRUST**

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**E LEGISLATURE ON  
THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF THE  
RECREATION FUND TRUST FOR THE YEAR ENDED 31 MARCH 2008  
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 position as at 31 March 2008, statement of financial performance, cash flow statements and statement of changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 293 to 299.

**Responsibility of the accounting officer for the financial statements**

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Statements of Generally Accepted Accounting Practice (SA Statements of GAAP) and in the manner required by the Auditor - General audit circular 1 of 2007. This responsibility includes:
  - designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
  - selecting and applying appropriate accounting policies
  - making accounting estimates that are reasonable in the circumstances.

**Responsibility of the Auditor-General**

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 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 the International Standards on Auditing and *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on 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.



6. An audit also includes evaluating the:
- appropriateness of accounting policies used
  - reasonableness of accounting estimates made by management
  - overall presentation of the financial statements.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Basis for qualified opinion**

#### **Expenditure**

8. I was unable to obtain sufficient and appropriate supporting evidence to gain adequate audit assurance as to the occurrence and accuracy of expense transactions amounting to R6 675. Due to the lack of supporting documentation, I was unable to perform alternative audit procedures and accordingly, I was not able to determine whether any adjustments might have been necessary to the expenditure as disclosed in the financial statements in respect of these transactions.

#### **Revenue**

9. I was unable to obtain sufficient and appropriate evidence to gain adequate audit assurance as to the occurrence, accuracy and completeness of project revenue amounting to R2 435. Due to the lack of supporting documentation, I was unable to perform alternative audit procedures and accordingly, I was not able to determine whether any adjustments might have been necessary to the revenue as disclosed in the financial statements in respect of these transactions.

#### **Qualified opinion**

12. In my opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had I been able to satisfy myself as to the matters described in the Basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Recreation Fund Trust as at 31 March 2008 and its financial performance and cash flows for the year then ended, in accordance with SA Statements of GAAP.

### **OTHER MATTERS**

I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements:

#### **Internal controls**

8. Section 51(1)(a)(i) of the PFMA states that the accounting officer must ensure that the trust has and maintains effective, efficient and transparent systems of financial and risk management and internal control. The table below depicts the root causes that gave rise to the inefficiencies in the system of internal control, which led to the qualified opinion. The root causes are categorised according to the five components of an effective



more than one internal

control component.

Reporting item	Control environment	Risk assessment	Control activities	Information and communication	Monitoring
Expenditure			X		X
Revenue			X		X

Control environment: establishes the foundation for the internal control system by providing fundamental discipline and structure for financial reporting.

Risk assessment: involves the identification and analysis by management of relevant financial reporting risks to achieve predetermined financial reporting objectives.

Control activities: policies, procedures and practices that ensure that management's financial reporting objectives are achieved and financial reporting risk mitigation strategies are carried out.

Information and communication: supports all other control components by communicating control responsibilities for financial reporting to employees and by providing financial reporting information in a form and time frame that allows people to carry out their financial reporting duties.

Monitoring: covers external oversight of internal controls over financial reporting by management or other parties outside the process; or the application of independent methodologies, like customised procedures or standard checklists, by employees within a process.

### Matters of governance

9. The PFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of certain key governance responsibilities, which I have assessed as follows:

Matter of governance	Yes	No
<b>Other matters of governance</b>		
The annual financial statements were submitted for audit as per the legislated deadlines section 55 of the PFMA	X	
The financial statements submitted for audit were not subject to any material amendments resulting from the audit.		X
No significant difficulties were experienced during the audit concerning delays or the unavailability of expected information and/or the unavailability of senior management.	X	
The prior year's external audit recommendations have been substantially implemented.	X	



## APPRECIATION

10. The assistance rendered by the staff of the Recreation Fund Trust during the audit is sincerely appreciated.

*Auditor-General*

Bloemfontein

31 July 2008



AUDITOR - GENERAL



## FREE STATE PROVINCE Department of Health

### RECREATION FUND TRUST

#### DISCLOSURE OF 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 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 organise recreational activities and functions for the patients.



**FREE STATE DEPARTMENT OF HEALTH  
RECREATION FUND TRUST**

**STATEMENT OF FINANCIAL PERFORMANCE  
for the year ended 31 March 2007**

	<i>Note</i>	<b>2007/08</b> <b>R</b>	<b>2006/07</b> <b>R</b>
<b>INCOME</b>		<b>16 718</b>	<b>20 803</b>
Interest income	2	8 484	6 595
Donations for patients' recreation		5 238	12 198
Projects: Cake sale		2 996	2 010
<b>EXPENDITURE</b>		<b>24 910</b>	<b>24 498</b>
Projects: Athletics and Dance		3 646	2 350
Bank charges		1 369	1 236
Christmas expenses		-	10 498
Maintenance		-	1 450
Patients' functions and trips		14 655	3 814
Patient salary		4 320	3 850
Patient IDs		920	1 000
Stationary		-	300
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>(8 192)</b>	<b>(3 695)</b>



## FREE STATE PROVINCE Department of Health

### STATEMENT OF FINANCIAL POSITION as at 31 March 2007

	<i>Note</i>	<b>2007/08</b> <b>R</b>	<b>2006/07</b> <b>R</b>
<b>ASSETS</b>			
<b>Current assets</b>		<b>215 203</b>	<b>223 395</b>
Cash and cash equivalents	3	<b>214 733</b>	<b>222 925</b>
Receivables	4	<b>470</b>	<b>470</b>
<b>TOTAL ASSETS</b>		<b>215 203</b>	<b>223 395</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>		<b>215 203</b>	<b>223 395</b>
Trust Fund Capital	5	<b>215 203</b>	<b>223 395</b>
<b>TOTAL NET ASSETS AND LIABILITIES</b>		<b>215 203</b>	<b>223 395</b>



**FREE STATE DEPARTMENT OF HEALTH  
RECREATION FUND TRUST**

**CASH FLOW STATEMENT  
for the year ended 31 March 2007**

	<i>Note</i>	<b>2007/08</b> <b>R</b>	<b>2006/07</b> <b>R</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>(8 192)</b>	<b>(4 165)</b>
Net Cash/(cash deficit) generated from operations	6	<b>(16 676)</b>	<b>(10 760)</b>
Interest received/ (paid)		<b>8 484</b>	<b>6 595</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b><u>(8 192)</u></b>	<b><u>(4 165)</u></b>
<b>Movement in cash and cash equivalents</b>			
End of the year		<b>214 733</b>	<b>222 925</b>
Beginning of the year		<b>222 925</b>	<b>227 273</b>
Prior year error (Cash was overstated in the prior year closing balance)		<b>-</b>	<b>(183)</b>
(Decrease)/increase		<b><u>(8 192)</u></b>	<b><u>(4 165)</u></b>



## FREE STATE PROVINCE Department of Health

### RECREATION FUND TRUST

#### STATEMENT OF CHANGES IN NET ASSETS for the year ended 31 March 2007

	R
<b>Balance 1 April 2006</b>	<b>227 273</b>
Net income for the year	(3 695)
Adjusted for interest overstated	<u>(183)</u>
<b>Balance at 31 March 2007</b>	<b><u>223 395</u></b>
 <b>Balance at 1 April 2007</b>	 <b>223 395</b>
Net surplus (deficit) for the year	<u>(8 192)</u>
<b>Balance at 31 March 2008</b>	<b><u><u>215 203</u></u></b>



**FREE STATE DEPARTMENT OF HEALTH  
RECREATION FUND TRUST**

**ACCOUNTING POLICIES  
for the year ended 31 March 2007**

**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 Accepted 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 Revenue recognition**

Interest received is recognized as it accrues unless collect ability is in doubt.

**1.5 Basis**

The financial statements for the Trust Fund are drawn up on a going concern basis.

**1.6 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.

**1.7 Prior Periods Error**

The Prior Periods Error on the Statements of Changes in Net Assets and Cash Flow Statement were for interest and cash equivalents which were overstated in the 2006 financial year. As a result the balances for accumulated profits, cash and cash equivalent as reported in the prior year financial statements were restated.



## FREE STATE PROVINCE Department of Health

### RECREATION FUND TRUST

#### ACCOUNTING POLICIES for the year ended 31 March 2007

#### 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.



**FREE STATE DEPARTMENT OF HEALTH  
RECREATION FUND TRUST**

**NOTES OF THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2007**

	2007/08 R	2006/07 R
<b>2. INTEREST RECEIVED</b>		
First National Bank	<u>8 484</u>	<u>6 595</u>
<b>3. CASH AND CASH EQUIVALENTS</b>	<b>214 733</b>	<b>222 925</b>
Cash at bank	<b>114 664</b>	122 925
Cash on hand (outstanding deposit)	<b>69</b>	-
Fixed deposit	<b>100 000</b>	100 000
<b>4. RECEIVABLES</b>	<b>470</b>	470
Private Patient Fund	<b>470</b>	470
<b>5. TRUST FUND CAPITAL</b>	<b>215 203</b>	<b>223 395</b>
Opening balance	<b>223 395</b>	227 273
Net surplus (deficit) for the year	<b>(8 192)</b>	(3 695)
Prior year opening balance adjusted	<b>-</b>	(183)
<b>6. CASH FLOW INFORMATION</b>		
<b>Cash/(cash deficit) generated from operations</b>	<b>(16 745)</b>	(10 760)
Net profit for the year	<b>(8 192)</b>	(3 695)
Adjustment for interest received	<b>(8 484)</b>	(6 595)
Changes in working capital:		
(Increase)/Decrease in Receivables	<b>-</b>	(470)