health
Department of Health
FREE STATE PROVINCE

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

I have the honour of submitting the Annual Report of the Free State Department of Health for the period 1st April 2011 to 31st March 2012.

Dr S Kabane
Head of Department: Health
Date: 31st July 2012

Free State Department of Health
Bopelo House, Corner of Charlotte Maxeke & Harvey St., P.O. Box 227, Bloemfontein, 9300
Tel: 051 408 1108 | Fax: 051 408 1058 | www.fshealth.gov.za | kabans@fshealth.gov.za

Contents

GENERAL INFORMATION	4
Vision, Mission and Values	4
Organisational Structure of the Free State Department of Health	5
LEGISLATIVE MANDATE	6
MEC's Statement	8
Accounting Officer's Overview	9
INFORMATION ON PREDETERMINED OBJECTIVES	10
Overall Performance	10
Overview of the Organisational Environment for 2011/12	14
Key Developments and Legislative Changes	14
Departmental Revenue, Expenditure, and other Specific Topics	15
Departmental Expenditure and Transfer Payments	16
Conditional Grants and earmarked funds	21
Overview of the Conditional Grants Received by the Department	21
Capital Investment, Maintanance and Asset Management plan	27
PERFORMANCE PER BUDGET PROGRAMME	30
PROGRAMME 1: ADMINISTRATION	31
PROGRAMME 2: DISTRICT HEALTH SERVICES (DHS)	39
PROGRAMME 3: EMERGENCY MEDICAL (AND RESCUE) SERVICES	50
PROGRAMME 4: PROVINCIAL HOSPITALS	52
PROGRAMME 5: CENTRAL AND TERTIARY HOSPITALS	56
PROGRAMME 6: HEALTH SCIENCES AND TRAINING	59
PROGRAMME 7: HEALTH CARE SUPPORT SERVICES (HCSS)	61
PROGRAMME 8: HEALTH FACILITIES MANAGEMENT (HFM)	62
ANNUAL FINANCIAL STATEMTS	65
Report of the Audit Committee	66
Report of the Accounting Officer(s)	67
Report of the Auditor-General	77
Appropriation Statement	85
Notes to the Appropriation Statement	112
Statement of Financial Performance	115
Statement of Financial Position	117
Statement of changes in Net Assets	118
Cash Flow Statement	119
Statement of Accounting Policies and Related Matters	120
Notes to the Annual Financial Statements (including Accounting Policies)	147
Annexures (Unaudited supplementary schedules)	159
ANNUAL FINANCIAL STATEMENTS OF CENTRAL MEDICAL ACCOUNT	172
ANNUAL FINANCIAL STATEMENT RECREATION FUND TRUST	211
ANNUAL FINANCIAL STATEMNETS OF THE PRIVATE PATIENT FUND TRUST	223
HUMAN RESOURCE MANAGEMENT	233
Expenditure	236
Employment and vacancies	240
Job evaluation	246
Employment changes	247
Employment equity	257

Performance rewards 264
Foreign workers 271
Leave utilisation for the period 1 January 2011 to 31 December 2011 271
HIV and AIDS & health promotion programmes 274
Labour relations 275
Skills development 277
Injury on duty 280
Utilisation of consultants 280

OTHER INFORMATION
Acronyms 283
List of contact details 287

1. GENERAL INFORMATION

Vision, Mission and Values

Vision

A Long and Healthy Life for the Free State Community.

Mission

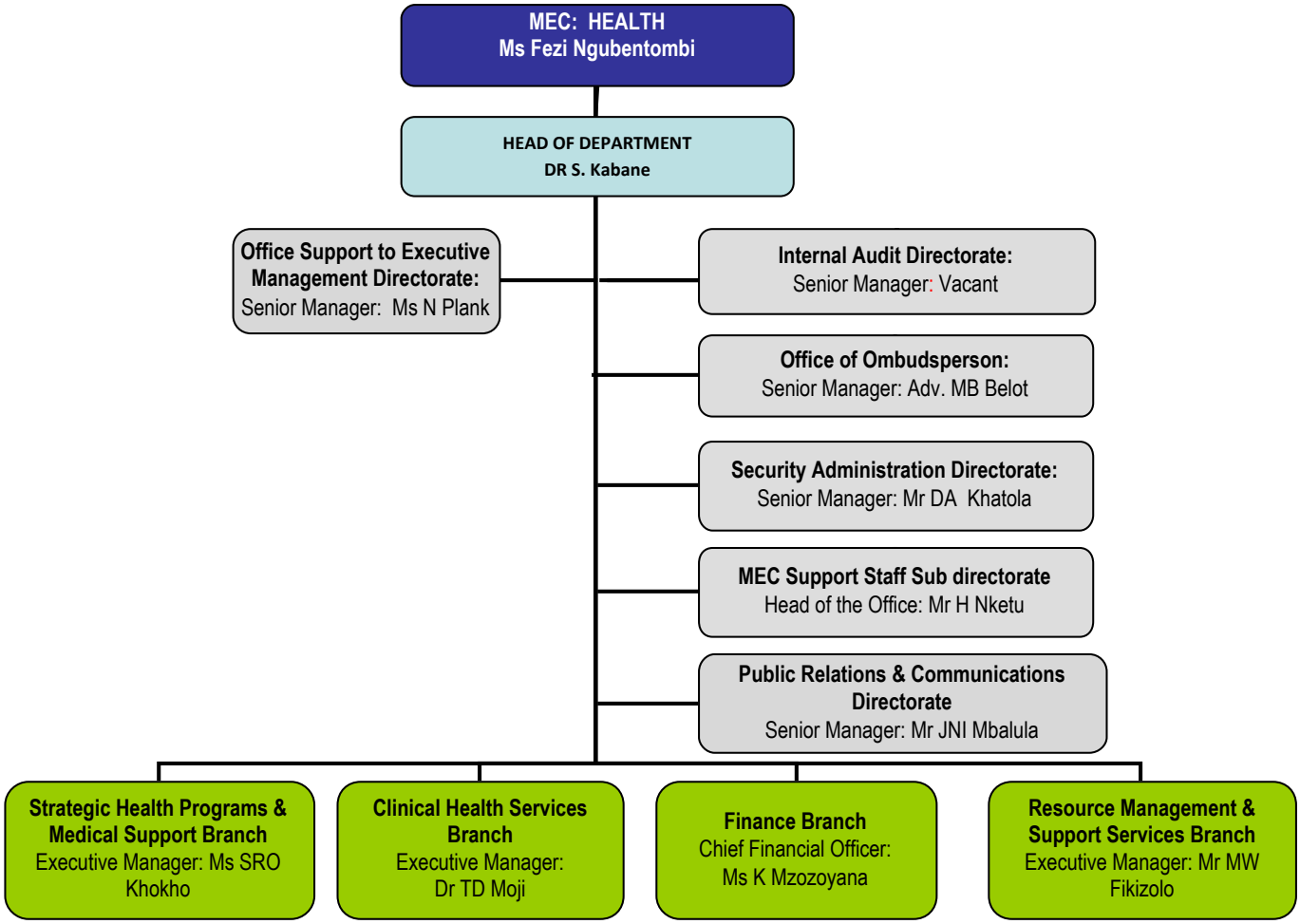
The Free State Department of Health will achieve its vision by:

- Providing quality, accessible and comprehensive health services through a family and community-based Primary Health Care (PHC) Approach to the Free State community;
- Optimally utilizing all its resources to provide the caring and compassionate services;
- Empowering and developing all its personnel and stakeholders; and
- Adopting evidence based and Information centred approach to planning and decision making for the achievement of better health outcomes.

Values

- The key determinants of relationships within the Free State Department of Health are:
- Accountability
- Responsiveness
- Batho Pele
- Commitment
- Integrity
- Transparency

Organisational Structure of the Free State Department of Health:



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

- Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996)
- National Health Act, 1977 (Act No. 63 of 1977)
- National Health Act, 2003 (Act No. 61 of 2003)
- Provincial Health Act, (Act 3 of 2009)
- Free State Hospitals Act, 1996 (Act No.13 of 1996)
- 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)
- Promotion of Administrative Justice Act (Act 3 of 2000)
- Promotion of Access to information Act (Act 2 of 2000)
- Children's Act, 2005(Act 38 of 2005)
- 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) as amended by Act 6 of 2011.
- Free State Appropriation Act, 2012 (Act 1 of 2005) as amended.
- Free State Adjustment Appropriation Act, 2005 (Act 9 of 2005) as amended.
- Appropriation Act, 2008 (Act 1 of 2008) as amended.
- Adjustment of Appropriation, 2008 (Act 4 of 2008) as amended.

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)
- Nursing Act, 2005 (Act 33 of 2005)
- Dental Technicians Act, 1979 (Act No. 19 of 1979)
- Prevention and Treatment of Drug Dependency Act, 1992 (Act No. 20 of 1992)
- Choice on Termination of Pregnancy Act, 1996 (Act No. 92 of 1996)
- Sterilisation Act, 1998 (Act No. 44 of 1998)
- National Health Laboratory Service Act, 2000 (Act No. 37 of 2000)
- Traditional Health Practitioners Act, 2004 (Act No. 35 of 2004)
- Free State Initiation School Health Act, 2004 (Act 1 of 2004)
- Atmospheric Pollution Prevention Act, 1965 (Act No. 45 of 1965)
- Hazardous Substance Act, 1973 (Act No. 15 of 1973)
- Health and Welfare Matters Second Amendment Act, 1993 (Act No.180 of 1993)

Entities Reporting to the Member of Executive Council

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

Name of entity	Legislation	Nature of Business
NHLS, as established according to the NHLS Act 37 of 2000	To provide health laboratory services to the Free State Department of Health as contained in the SLA	1. Provide cost effective laboratory services 2. Support HIV and AIDS program 3. Support TB Programme 4. Support Cervical Cancer Programme 5. Comply with SLA

MEC'S STATEMENT

This Annual Report of the Free State Department of Health gives an account of the performance of the Department in relation to the Annual Performance Plan 2011/2012.

The report also portrays progress made by the Department during 2011/2012 financial year. It also evaluates outcomes against the budget allocated as value for money towards efforts to achieve the Government's key strategies and political mandate, as contained in among others:

- Government Plan of Action;
- State of the Nations Address by the State President;
- State of the Province Address by the Premier;
- Provincial Lekgotla Resolutions;
- National Health 10 Point Plan;
- Negotiated Service Delivery Agreement for the Health Sector.
- The MEC Budget Speech

The Department of Health played a significant role in the successful hosting the Centenary Celebrations that were held in the Free State Province, which made a historical mark and left a legacy for the country.

Though significant progress is recorded as performance achieved by the Department in this report, planned efforts to address challenges identified, are also reported.

The planned interventions to deal with the challenges include the implementation of the PHC re-engineering in the entire province and the National Health Insurance pilot in the Thabo Mofutsanyana District.
The Free State Department of Health will continue to work towards a healthy life for all Free State communities.

Ms F. Ngubentombi
MEC: Health, Free State Provincial Legislature
Date: 31st July 2012

ACCOUNTING OFFICER'S OVERVIEW

The Free State Department of Health Annual report 2011/2012 gives an account to stakeholders on the performance against Annual performance Plan 2011/2012.

In 2011/2012 the department focused mainly on strengthening the initiatives to improve health outcomes and implemented the Negotiated Service Delivery Agreement Outputs,

Key to all these activities was to ensure continuous provision of quality health care services to the Free State Community.

Highlights on Performance against NSDA Outputs and Other Priorities

- The HIV Counselling and Testing campaign was implemented in all Health facilities, Public Events and Government Departments. A total of 880 561 people were counselled and tested for HIV through this campaign.

- Medical Male Circumcision is another prevention strategy implemented in collaboration with private practitioners in the province, 30 707 males were circumcised.
- Percentage of HIV-TB Co-infected patients placed on ART improved from 54% to 85.3%
- Although the target of 77% was not reached on TB cure rate, there has been improvement from 71.5% to 73.4%
- Immunization coverage for children under 1 year improved from 81.5% to 91.7%
- Prevention of Mother to Child Transmission rate reduced from 4% to 2.96%.
- Progress was made on the PHC re-engineering; 12 School Health Teams were appointed to cover Quintile 1 & 2 schools, 47 Family Health Teams were appointed to start with profiling, provincial specialist team was also appointed in preparation for supporting District Specialist Teams appointed to assume duty from 01 June 2012.
- Rostered ambulances increased from 96 to130 vehicles and 250 EMS personnel appointed in the five Districts.
- A total of 7 190 425 patients were seen at the 212 clinics and 10 CHCs, which shows an increase of 10.2%.
- Drug availability was maintained between 95% and 96% in most of the Health facilities.
- An independent patient satisfaction survey was conducted in all the public health facilities, except the Free State Psychiatric Complex. Patient Satisfaction rate; Primary Health Care facilities 79%, District hospitals 84%, -Regional hospitals 88%, Central hospital 89%.
- Three engineers were appointed to improve on infrastructure planning and monitoring of projects. Construction of two clinics were completed namely Maleho and Villiers.

The Department would like to thank the executing authority, management and all personnel for their dedication in continuously providing quality services despite the challenges they come across.

Dr S Kabane
Head of Department: Health
31st July 2012

2. INFORMATION ON PREDETERMINED OBJECTIVES

2.1. Overall Performance

2.1.1. Voted Funds

Main Appropriation R'000	Adjusted Appropriation R'000	Actual Amount Spent R'000	(Over)/Under Expenditure R'000
R6,820,708	R6,930,347	R6,811 239	R119,108
Responsible Minister/ MEC	MEC of Health - Free State		
Administering Dept.	Free State Department of Health		
Accounting Officer	Head of Department - Free State Department of Health		

2.1.2. Aim of Vote

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

2.1.3 Strategic Outcome Oriented Goals

- Healthy Life for All South Africans, which is also its the vision statement. The following are the strategic goals of the Department, which encompass the four outputs of the National Services Delivery Agreement for the Health Sector:
- Provision of Strategic Leadership and Creation of Social Compact for Better Health Outcomes.
- Increasing Life Expectancy.
- Decreasing Maternal and Child Mortality.
- Combating HIV and AIDS and decreasing the burden of diseases from Tuberculosis.
- Strengthening Health System Effectiveness by means of :
- Re- engineering the Primary Health Care (PHC) System
- Improving Patient Care and Satisfaction
- Accreditation of Health Facilities for Compliance
- Improved Health Infra – Structure Availability
- Improved Human Resources for Health
- Strengthening Financial Management focused on M&E
- Improving Health Care Financing through the Implementation of the NHI
- Strengthening the Health Information Management Systems

2.1.4 Overview of the Service Delivery Environment for 2011/12

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

  - The Annual Performance Plan of the Department and the District Health Plans were developed and submitted as per legislation. The Department reported on its finances and performance on regular basis, according to legislation, to the relevant oversight bodies, including the Treasury and the Legislature.
  - Communication with the stakeholders of the Department was strengthened through activities such as the 16 community road shows, 12 proactive media releases and a total of 37 employee-targeted publications.

- **Increasing Life Expectancy.**

  - The life expectancy at birth of Free State population is estimated at 46.2 years and 48.4 years for male and female re spectively and average total fertility rate estimate is 2.28 (Mid-year estimates 2010, STATSSA).
  - The efforts to increase life expectancy are undertaken through the activities under the different strategic goals of the Department.
  - In order to continuously improve the quality of health care, monthly morbidity and mortality (M&M) meetings, which discuss adverse clinical outcomes, are held in all regional hospitals and the central hospital. The district conducting the M&M meetings improved from zero to 42.6%.

Part of the EMS fleet of the Department

  - 110 new ambulances, including the ones earmarked for the replacement of old fleet and inter-hospital emergency services, were procured during the financial year, resulting in the increase in the number of rostered ambulances to 130.
    However the desired response rates in both urban and rural areas were not achieved as they require a total of 290 rostered ambulances.

- **Decreasing Maternal and Child Mortality.**

  - The percentage of children immunized with the new vaccines, Pneumococcal and Rotavirus, has increased to 90.9% and 97.6% respectively in comparison to the previous year of 68. 5% and 75.6%.
  - The target for percentage of children under <1 year of age, fully immunised against measles was set at 91% and the actual achievement for the reporting period is 94.7%, indicating an increase of 8.8% compared to the baseline.
  - The Department achieved the set targets for facility-based mortality rates for children under 1 year and those under 5 years. The actual performance for the year was 24.6 and 25.3 per 1 000 live births respectively against the targets of 33 and 53 per 1 000 live births. The achievement of the targets is attributed to the appointment of a provincial specialist team on maternal and child health, the increased number of health professionals trained in ESMOE, as well as the hold ing monthly morbidity and mortality meetings at the central, all the regional hospitals and some of the district hospitals.
  - The performance achieved for pregnant mothers booking for antenatal care before 20 weeks is 47.1%, which is signifi cantly lower than the set target of 70%. This is a matter of concern to the Department as early bookings are crucially important for the rendering of safe maternity care.

- **Combating HIV and AIDS and decreasing the burden of diseases from Tuberculosis.**

Nursing staff providing HCT services

School pupils performing at Kick TB activation event at Sasolburg

- The HIV Counseling and Testing campaign was implemented in all the health facilities and other sites, such as different workplaces, public gatherings, etc. 587 336 people were counseled and tested for HIV through the campaign. 30 707 males were circumcised through the medical male circumcision programme.
- A total of 133 518 adults and 11 477 children have been initiated on the ART programme since its inception. This shows an increase of 63 016 adults and children on the programme during the 2011/12 financial year. The initiation of patients having both TB and HIV infection on the ART programme improved from 65% to 85.3%.
- Community involvement in Direct Observation Treatment (DOTS) programme enabled the Department to achieve the DOTS coverage of 85.8%. The successful implementation also led to the increase in the proportion of TB patients who successfully complete their treatment from 76% to 78.2%.
- The TB cure rate of new smear positive patients increased from 71.5% in 2010/2011 to 73.4% during the reporting period. This demonstrates steady progress that the Department continues to make on the TB treatment outcomes towards achieving the set target of 77%. The target for HIV-TB Co-infected patients placed on ART was 70% and it was exceeded by 15.3%, bringing it to the actual performance of 85.3%.
- The target for the proportion of MDR-TB amongst pulmonary TB was achieved, even with the introduction of improved and more sensitive diagnostic technology.

However the Proportion of XDR TB amongst MDR TB patients is still a concern and priority for the Department and the community-based MDR care programme will be strengthened in the quest to reach the target of less than 0.5%.

- **Strengthening Health System Effectiveness by means of :**

- ***Re- engineering the Primary Health Care (PHC) System***

  - A total of 7 190 425 patients were seen at the 212 clinics and 10 CHCs, which represents an increase of 10% on the performance of 2010/11 financial year, including 1 090 776 children under the age of 5. The clinical workload for Professional Nurses increased from 34 to 36.9 patients per day and 33 to 38.3 for medical doctors.
  - In the effort to strengthen rural health services, the Department procured 15 mobile clinics, 3 per district, and the number of visits to farm areas increased from 29 971 to 43 495 during the year under review. However the headcounts for mobile clinics declined by 2.7% to 243 843.
  - The health promotion programmes, focusing on Healthy Lifestyles, were implemented in 9 of the 20 sub-districts. The limited implementation was due to the challenges in having dedicated focal personnel for such programmes. The challenges also resulted in the school health services being implemented in only 13 sub-districts.
  - In order to improve the quality of services throughout the three levels of health care more outreach activities were undertaken by the Central Hospital and the Provincial Hospitals. The outreach teams from the Central Hospital have conducted an average of 83 visits per each of the 4 Regional Hospitals outside Bloemfontein. Two of the 5 Regional Hospitals did not achieve the set targets for outreach to District Hospitals, mainly due to the shortage of medical doctors and specialists.

- **Improving Patient Care and Satisfaction**

  - An independent patient satisfaction survey was conducted in all the public health facilities, except the Free State Psy chiatric Complex. The patient satisfaction rate of 79% was achieved for PHC facilities, 84% for district hospitals, 88% for regional hospitals and 89% for the central hospital. The key factors that patients were dissatisfied about were the long queues in clinics and the lack of transport back home from hospitals.
  - There were significant increases in the number of patients seen in all the three levels of hospitals. The number of out patients increased by 16.7%, 29.7% and 25.9% at district hospitals, regional hospitals and central hospital respectively. This has also led to an increase in the average number of days spent by patients in hospitals. The bed utilisation rate increased by 3.3% in district hospitals and declined by 2.7% in regional hospitals and 0.5% in the central hospital.
  - Concerted efforts were undertaken to measure and improve the patient waiting times in order to shorten queues in the targeted areas of the hospitals. Some improvements have been noted, though the set targets were not achieved. Queue marshals have been appointed in 19 of the 31 hospital to implement triage procedures, monitor queues and direct patients.
  - Eight hundred and thirty four (834) Complaints Registers were placed in strategic points of all the health facilities. This has resulted in more focused management of complaints of patients and the community. 76.8% of the complaints re ceived were resolved within 25 days. To further improve patient relations, 224 supervisors of health facilities have been trained on customer care.

- **Accreditation of Health Facilities for Compliance**

- All the 262 public health facilities across the three levels of care were as sessed against the National Core Standards for Health Establishments in South Africa. The average outcomes of the assessments were 40 – 59% for PHC facilities, 60 – 79% for district hospitals, 60 – 79% for regional hospitals and 96% for the central. Three hospitals have been accredited by the Council for Health Services Accreditation in Southern Africa (COHSASA) as at end March 2012.

The CEO, Me Noge and staff of Tokollo District Hospital with their COHSASA accreditaion certificates

- **Improved Health Infrastructure Availability**

  - Major maintenance projects were carried out at 8 health facilities and 2 new clinics in Villiers and Maleho (Bultfontein) were completed.
  - The Mantsopa and Trompsburg District Hospital projects are at advanced stages of construction. The Mangaung District Hospital project is at planning phase.

- **Improved Human Resources for Health**

  - An approval was granted at the beginning of financial year to fill 1 797 vacant posts and all were filled. As at the end of the financial year the vacancy rate, based on funded posts, was 16.9%.
  - The Department is in the process of developing an appropriate nursing skills mix model in order to optimize the perfor mance of nursing personnel.
  - The Department has undertaken the process of restructuring the macro structure with a view to improving organiza tional efficiency and effectiveness.

- **Strengthening Financial Management focused on M&E**

  - All the five elements of the SCM have been implemented in all the 31 stores in the Department. All the contracts arranged by the Department were concluded at market related prices.

- **Improving Health Care Financing through the Implementation of the NHI**

  - Thabo Mofutsanyana District has been identified as one of the 9 pilot sites for the implementation of the National Health Insurance in the country. The NHI business plan will be implemented during the 2012/13 financial year.

- **Strengthening the Health Information Management Systems**

  - The health information management policy of the Department is in the process of development in line with the District Health Management Information System (DHMIS) policy of the National Department of Health

2.2. Overview of the Organisational Environment for 2011/12

2.2.1. Configuration of Health Services

- The Province is divided into 4 districts (Xhariep, Lejweleputswa, Fezile Dabi and Thabo Mofutsanyana) and 1 Metropolitan Municipality. There are 212 clinics and 10 Community Health Centres located in the 19 Local Municipalities within the 4 districts. The district offices are extensions of the provincial office for the coordination of service delivery in the province. The district offices ensure that the Primary Health Care approach for health service is constantly improved and District Health system is functional.
- The hospital services, which include primary, secondary and tertiary care facilities, is the backbone of curative care and provide inpatient and outpatient services to the people of the province and the neighbouring areas and it is supported by an efficient referral system.The three levels of hospital services are rendered through 24 District Hospitals, 5 Regional Hospitals, 1 Specialised Psychiatric Hospital and 1 Central Hospital.

2.2.2. Key Appointments

- The department continued to face the increased demand for services, with an accompanying substantial personnel shortage. This is mainly due to under-production and migration of skilled personnel to other provinces, countries and the private sector. This has encouraged us to double our efforts to train, recruit and retain these scare professionals.
- The process of implementing the PHC re-engineering was begun, focusing on the establishment of district specialist teams, family outreach teams and school health services. As at the end of the financial year 27 medical specialists, 19 specialist nursing practitioners and 600 CHWs have been appointed for the re-engineering project.
- The Senior Manager for Information and Communication Technology was appointed.

2.2.3. Public Service Strike

- There were no significant work stoppages due to strikes during the year under review.

2.2.4. Restructuring

- The Department has begun a process of restructuring, which will continue in the 2012/13 financial year.

2.2.5. Access to Services and Partnerships

- Private sector, especially the general practitioners and traditional practitioners, play an important role in meeting the health needs of the community. More PHC visits are registered in rural districts than in urban areas, which indicate relatively less access to private health care in these areas.
- The Department is supported by the development partners in the rendering of services and training, particularly in the management of HIV, AIDS and TB.

2.3. Key Policy Developments and Legislative Changes

- The Bill was passed on the re-designation of hospitals and the setting of requirements for hospital management.
- National Health Act became fully operational effective from 1st March 2012.
- The Mangaung Municipal area was declared a metropolitan municipality and Mantsopa and Naledi sub-districts became parts of Thabo Mofutsanyana and Xhariep Districts respectively.

2.4. Departmental Revenue, Expenditure, and Other Specific Topics

2.4.1. Collection of Departmental Revenue

- The Department exceeded its revenue target of R132,908,000 for the 2011/12 financial year and collected an amount of R177,934,417.
- Amounts received other than normal patient fee revenue were as follows:
- An amount of R24,109,541 received from University of Free State with regards to the joint staff establishment agreement between the University of Free State and Free State Department of Health.
- Public Private Partnership revenue of R12,270,133 for Universitas and Pelonomi Hospitals.
- Sales of Capital assets to the amount R4,460,260, which is higher than the estimated amount. Vehicles were sold at auctions because some were damaged in road accidents while some were old cars and it was not cost effective to maintain them.
- The Department has appointed new debt collectors to enhance the revenue collection from patients and has also appointed the new service provider to lodge RAF claims on behalf of the Department at RAF.
- The department has also conducted the case management as well as the ICD 10 coding training to improve the billing of patients and expedite the claiming process from medical schemes thereby enhance revenue collection.
- The table below provides a breakdown of the sources of revenue:

	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Target	2011/12 Actual	% Deviation from Target
Tax revenue	-	-	-	-	-	-
Specify						
Non-tax revenue	-	-	-	-	-	-
Specify						
Sales of goods and services other than capital assets	118,579	87,249	119,696	120,678	146,756	122%
Interest ,dividends and rent on land(interest charged on debt)	535	2,168	340	550	266	48%
Sales of Capital Assets	2,308	841	6,495	120	4,460	3717%
Specify	Vehicles	Vehicles	Vehicles	-	Vehicles	-
Financial transactions (Recovery of loans and advances	3,872	13,118	61,422	11,560	26,232	229%
TOTAL DEPARTMENTAL RECEIPTS	125,294	103,376	187,953	132,908	177,714	134%

2.5. Departmental Expenditure and Transfer Payments

Appropriation per programme									
	2011/12							2010/11	
APPROPRIATION STATEMENT	Adjusted Appro-priation	Shifting of Funds	Virement	Final Appropria-tion	Actual Expendi-ture	Variance	Expendi-ture as % of final appro-priation	Final Appropriation	Actual Expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration	**258,163**		**850**	**259,013**	**273,092**	**(14,079)**		**226,464**	**215,546**
Current payment	253,280	-	-	253,280	262,102	(8,822)	103.5%	204,771	194,353
Transfers and subsidies	276	-	850	1,126	1,126		100.0%	3,074	2,575
Payment for capital assets	4,607	-	-	4,607	3,480	1,042	77.4%	10,108	10,108
Payment for financial assets	-	-	-	-	6,299	(6,299)		8,511	8,510
2. District Health Services	**2,689,210**		**15,762**	**2,704,972**	**2,640,287**	**64,685**		**2,431,456**	**2,368,793**
Current payment	2,561,578	(29,035)	13,686	2,546,229	2,530,828	15,401	99.4%	2,309,635	2,285,310
Transfers and subsidies	71,161	-	2,076	73,237	58,671	14,566	80.1%	57,988	53,844
Payment for capital assets	56,471	29,035	-	85,506	40,359	45,174	47.2%	60,554	26,361
Payment for financial assets	-	-	-	-	10,429	(10,429)		3,279	3,278
3. Emergency Medical Services	**402,850**		**15,488**	**418,338**	**433,868**	**(15,530)**		**361,106**	**331,704**
Current payment	376,509	-	14,436	390,945	391,543	(598)	100.2%	303,366	303,366
Transfers and subsidies	22	-	1052	1,074	1,074		100.0%	31	31
Payment for capital assets	26,319	-	-	26,319	31,735	(5,416)	120.6%	51,989	22,587

Appropriation per programme									
	2011/12							2010/11	
APPROPRIATION STATEMENT	Adjusted Appro-priation	Shifting of Funds	Virement	Final Appropria-tion	Actual Expendi-ture	Variance	Expendi-ture as % of final appro-priation	Final Appropriation	Actual Expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payment for financial assets	-	-	-	-	9,516	(9,516)		5,720	5,720
4. Provincial Hospital Services	**1,651,852**		**(8,287)**	**1,643,565**	**1,630,938**	**12,627**		**1,495,330**	**1,485,347**
Current payment	1,619,351	(429)	(11,673)	1,607,249	1,598,288	8,961	99.4%	1,462,676	1,458,145
Transfers and subsidies	4,937	-	3,386	8,323	8,323		100.0%	5,325	5,113
Payment for capital assets	27,564	429	-	27,993	19,628	8,365	70.1%	25,823	20,583
Payment for financial assets	-	-	-	-	4,699	(4,699)		1,506	1,506
5. Central Hospital Services	**1,126,247**		**(10,432)**	**1,115,815**	**1,112,561**	**3,254**		**1,076,567**	**1,075,995**
Current payment	1,103,660	-	(10,906)	1,092,754	1,096,087	(3,333)	100.3%	1,000,237	999,665
Transfers and subsidies	2,537	-	9	2,546	1,902	644	74.7%	3,933	3,933
Payment for capital assets	20,000	-	465	20,465	14,018	6,447	68.5%	72,241	72,241
Payment for financial assets	50	-	-	50	554	(504)	1108.0%	156	156
6. Health Science and Training	**155,564**		**(4,276)**	**151,288**	**150,233**	**1,055**		**139,676**	**137,718**
Current payment	127,010	-	(5,331)	121,679	125,240	(3,561)	102.9%	109,611	109,081
Transfers and subsidies	20,034	-	1,055	21,089	21,089		100.0%	20,312	20,312
Payment for capital assets	8,520	-	-	8,520	3,770	4,750	44.2%	9,559	8,131
Payment for financial assets	-	-	-	-	134	(134)		194	194

Appropriation per programme									
	2011/12							2010/11	
APPROPRIATION STATEMENT	Adjusted Appro-priation	Shifting of Funds	Virement	Final Appropria-tion	Actual Expendi-ture	Variance	Expendi-ture as % of final appro-priation	Final Appropriation	Actual Expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
7. Health Care Support Services	**113,819**	**-**	**(9,105)**	**104,714**	**97,355**	**7,359**		**87,149**	**76,676**
Current payment	103,983	-	(9,240)	94,743	91,946	2,797	97.0%	83,210	74,069
Transfers and subsidies	2,130	-	135	2,265	2,265		100.0%	2,258	2,258
Payment for capital assets	7,706	-	-	7,706	2,954	4,752	38.3%	1,661	329
Payment for financial assets	-	-	-	-	190	(190)		20	20
8. Health Facilities Management	**566,414**			**566,414**	**472,905**	**93,509**		**521,426**	**350,242**
Current payment	11,979	-	-	11,979	8,465	3,514	70.7%	67,566	73,386
Transfers and subsidies	-	-	-	-	34,000	(34,000)	-	-	5,000
Payment for capital assets	554,435	-	-	554,435	430,440	123,995	77.6%	453,860	271,856
Payment for financial assets	-	-	-	-	-	-		-	
9. Internal Charges	**(33,772)**			**(33,772)**		**(33,772)**		**(31,861)**	**(22,842)**
Current payment	(33,772)	-	-	(33,772)	-	(33,772)		(31,861)	(22,842)
Transfers and subsidies	-	-	-	-	-	-		-	-
Payment for capital assets	-	-	-	-	-	-		-	-
Payment for financial assets	-	-	-	-	-	-		-	-
TOTAL	**6,930,347**	**-**	**-**	**6,930,347**	**6,811,239**	**119,808**	**98.3%**	**6,307,313**	**6,019,179**

Appropration per Programme									
				2011/12				2010/11	
				Final Appropriation	Actual Expenditure			Final Appropriation	Actual Expenditure
TOTAL (brought forward)				6,930,347	6,811,239			6,307,313	6,019,179
Reconciliation with statement of financial performance									
ADD									
Departmental receipts				22,042				15,608	
Aid assistance				15,213				32,631	
Actual amounts per statement of financial performance (total revenue)				**6,967,602**				**6,355,552**	
ADD									
Aid assistance					15,213				9,043
Prior year unauthorised expenditure approved without funding									15,936
Actual amounts per statement of financial performance (total expenditure)					**6,826,452**				**6,044,158**

2.5.1. Notes on Transfer Payments made by the Department

Infrastructure Transfers

Transfers in respect of capital expenditure were made to Free State Development Corporation and Fezile Dabi District Municipality respectively. The total value of capital transfers amount to R34 million. Controls and monitoring in respect of the projects were not effective, although a number of meetings were held with the stakeholders and progress discussed at these meetings. Lack of monitoring was caused by a lack of cooperation between all stakeholders, as well as a capacity problem in respect of resources within the infrastructure directorate. Critical financial and other vacant positions within the directorate will be filled within the 2012/13 financial year as a matter of urgency. In addition the National Department of Health will implement a Project Management Information System (PIMS) during the 2012/2013 financial year, which will assist with monitoring of infrastructure related projects.

Transfers to Non Governmental Organisations

The transfers to the value of R67.5 million were made to 5 NGOs during the year under review. The monitoring of stipend payment process is effected through the various controls. The NGO's accompanied by the District Programme Coordinators, conduct the physical headcounts to verify the existence and involvement of volunteers and also Inspect the identity numbers and corresponding banking details signed by the NGO's manager, recommended by the District Programme Manager and approved by the Provincial Coordinator. The NGO's paying the stipend register the volunteers on the data base and include their personal details on stipend control form with their registration numbers. Forms will be printed and be allocated to local area organizations or clinics for supervision and be completed accordingly. After verification and completion of checklists the funds are released to the volunteers bank accounts by the District Programme Coordinators and an authorised NGO paying official using the operator identity numbers and passwords. The NGO paying stipend will prepare a final report for volunteers paid and not paid with reason thereof. Proof of payments, bank reconciliations reflection expenditure and available bank balance, all copies of stipend control forms and reports are retained by the Department for audit purposes.
NGO's submit, audited financial statements at end of financial year.

Challenge

Audited financial statements not expressing opinion.

Intervention

Meeting held with NGO's where it was indicated that when auditing finances they should work with registered auditors and not accountants, so to express opinion.

2.6. Conditional grants and earmarked funds

2.6.1. Overview of the Conditional Grants Received by the Department:

CONDITIONAL GRANT	BUDGET ALLOCATION R'000	ACTUAL EXPENDITURE R'000	% SPENT
Comprehensive HIV and AIDS Grant	533,319	456,532	86%
Health Infrastructure Grant	131,717	75,051	57%
Hospital Revitalization Grant	445,460	405,515	91%
Infrastructure Grant to Provinces	4,237	3,543	84%
Health Professions Training and Development Grant	124,444	124,447	100%
National Tertiary Services Grant	715,204	715,204	100%
Forensic Pathology Services	39,451	38,475	98%
Expanded Public Works Programme	15,586	11,481	76%

- The Department can confirm that all transfers were deposited into the accredited bank account of the Provincial Treasury.

2.6.2. Performance against the Targets for the Conditional Grants

The following tables contain the indication of the extent to which the selected key objectives of each conditional grant were achieved:

2.6.2.1. Comprehensive HIV and AIDS Grant

PURPOSE OF THE GRANT: To enable the health sector to develop an effective response to HIV and AIDS.				
Performance Indicators	Actual Performance against Target			Reason for Variance and Measures Taken
	Baseline (2010/11)	Target (2011/12)	Actual (2011/12)	
Number of fixed public health facilities offering ART (cumulative)	107	254	201	Space challenges have impacted on the ability of some facilities to provide ART services. A process is underway for the procurement of Modular structures to increase the space in selected clinics.
Number of adult (>15yrs) patients started on ART - new	34 003	35 322	39 686	Target achieved
Number of children (<15yrs) started on ART - new	3 258	2 659	2 342	Recruitment of children into the programme is dependent on the parents presenting them to clinics. Strengthen the family approach towards Provider-initiated Counselling and Testing
Total number of registered ART patients (current active)	73 874	109 423	109 680	Target achieved

PURPOSE OF THE GRANT: To enable the health sector to develop an effective response to HIV and AIDS.				
Performance Indicators	Actual Performance against Target			Reason for Variance and Measures Taken
	Baseline (2010/11)	Target (2011/12)	Actual (2011/12)	
Number of HTA intervention sites	33	45	37	Some HTA intervention sites are informal and it is therefore difficult to classify them as such. Strengthen the activities of the informal sites and reclassify them appropriately.
Number of ANC clients HIV 1st test	50 273	52 000	51 130	Late antenatal booking is a challenge and impacts on the PMTCT programme. Strengthening of community mobilization is being undertaken.
Number of babies given Nevirapine within 72 hours after birth	12 061	13 000	12 521	The numbers of babies born outside of health facilities, e.g. in Xhariep, are not included in the statistics and could affect this indicator.
Number of PCR tests around 6 weeks	11 714	13 000	13 249	Target achieved
Number of clients pre-test counselled through HCT (including ANC	769 970	646 069	880 561	Target achieved
Number of clients tested (including ANC)	649 429	587 336	749 636	Target achieved
Number of male circumci-sions performed	5 285	29 479	30 707	Target achieved
Number of HIV positive clients screened for TB	403 090	443 399	288 305	Recording of data on TB screening in the registers is suboptimal. Strengthen the recording and the analysis of data at facility levels is being undertaken.
Number of HIV positive clients started on IPT	3 937	10 375	45 458	Target achieved

2.6.2.2. Hospital Revitilisation Grant

PURPOSE OF THE GRANT: To revitalise health institutions			
Performance Indicators	Actual Performance against Target		Reason for Variance and Measures Taken
	Target (2011/12)	Actual (2011/12)	
Number of Contacts completed in Boitumelo	1.Close out con-tracts 4 and 13 2. Practical comple-tion of contract 11	Practical completion of contract 11	Public works failed to close out contracts 4 and 13
Number of Contacts completed in Pelonomi	Practical completion of ICU and Radiol-ogy	None completed	Non-performance of the contractor and owner of contractor for Radiology passed on thus the delay

PURPOSE OF THE GRANT: To revitalise health institutions			
Performance Indicators	Actual Performance against Target		Reason for Variance and Measures Taken
	Target (2011/12)	Actual (2011/12)	
Construction of New Mangaung Hospital	Complete planning up to first peer review	Target met	
Revitalisation of FSPC	Complete planning up to final peer review	Target met	
Construction of Ladybrand Hospital	60 % completed	Target met	
Construction of Trompsburg Hospital	45 % completed	Target met	
Planning of New Mofumahadi Manapo Mopeli Hospital	Business case developed	Not met	The process of reviewing is not completed

2.6.2.3. Hospital Infrastructure Grant

PURPOSE OF THE GRANT: • To provides funding to enable provinces to plan, manage, modernise, rationalise and transform the infrastructure, health technology, monitoring and evaluation of hospitals • To transform hospital management and improve quality of care in line with the national policy objectives • Supplement expenditure on health infrastructure delivered through public/ private partnerships			
Performance Indicators	Actual Performance against Target		Reason for Variance and Measures Taken
	Target (2011/12)	Actual (2011/12)	
Number of clinics completed	6	2	Procurement process kept on changing
Hospitals upgrade completed	4	3	Slow procurement process
Complete planning of Hospital upgrade	2	1	Priorities changed (Embekweni taken out of the list)
Construction of mortuary	1	1	
Refurbishment of Health facilities	3	1 (Lifts at Mofamahadi Manapo Mopeli)	Procurement challenges

2.6.2.4. Health Professions Training and Development Grant

PURPOSE OF THE GRANT: • Support provinces to fund service costs associated with training of health science trainees on the public service platform; • Establish clinical teaching and training capacity as required on the public service platform in earmarked provinces (Free State, Northern Cape, North West, Limpopo, Mpumalanga, Eastern Cape)				
Performance Indicators	Actual Performance against Target			Reason for Variance and Measures Taken
	Baseline (2010/11)	Target (2011/12)	Actual (2011/12)	
Number of registrars that completed training	56	60	47	8 registrars resigned and the other 5 are currently at 2nd – 5th year levels of training

2.6.2.5. National Tertiary Services Grant

PURPOSE OF THE GRANT:
- Ensure provision of tertiary health services for all South African citizens
- To compensate tertiary facilities for the additional costs associated with provision of these services including cross border patients

Service Provided	Actual Performance against Target			Reason for Variance and Measures Taken
	Performance Indicators (Service Activity)	Baseline (2010/11)	Actual (2011/12)	
UNIVERSITAS AND PELONOMI HOSPITALS				
Neonatal ICU	In-patient Days	10 838	19 723	Target achieved
	In-patient Separations	915	1 667	Target achieved
Specialised Paediatric Surgery	In-patient Days	7 708	7 461	Target achieved
	In-patient Separations	1 3671	1 461	Target achieved
Gastroenterology	Out-patient 1st Attendances	589	1 571	Target achieved
	Out-patient follow-up Attendances	2 222	2 865	Target achieved
UNIVERSITAS CENTRAL HOSPITAL				
Endocrinology Services	In-patient Days	2 904	1 270	
	In-patient Separations	516	256	
Hepatology	Out-patient 1st Attendances	240	26	
	Out-patient follow-up Attendances	553	102	
Radiation Oncology	Out-patient 1st Attendances	14 454	18 832	Target achieved
	Out-patient follow-up Attendances	57 816	75 334	Target achieved
Medical Oncology	Out-patient 1st Attendances	6 140	6 570	Target achieved
	Out-patient follow-up Attendances	25 147	26 192	Target achieved

PURPOSE OF THE GRANT: • Ensure provision of tertiary health services for all South African citizens • To compensate tertiary facilities for the additional costs associated with provision of these services including cross border patients				
Service Provided	Actual Performance against Target			Reason for Variance and Measures Taken
	Performance Indicators (Service Activity)	Baseline (2010/11)	Actual (2011/12)	
PELONOMI HOSPITAL				
Burns Unit	In-patient Days	10 806	4 238	The reduced demand for services and fewer referrals.
	In-patient Separations	662	328	
Nephrology (Renal Dialysis)	Day Patients Separations	8 847	6 660	
Spinal Injury Management	In-patient Days	3 315	5 117	Target achieved
	Out-patient 1st Attendances	230	309	Target achieved
	Out-patient follow-up Attendances	361	2 460	Target achieved

2.6.2.6. Forensic Pathology Services

PURPOSE OF THE GRANT: To transfer the Forensic Pathology Services from SAPS to Provincial Health and Strengthen the service.				
Performance Indicators	Actual Performance against Target			Reason for Variance and Measures Taken
	Baseline (2010/11)	Target (2011/12)	Actual (2011/12)	
% Actual / Projected expenditure of the grant	61.17%	100%	100%	Target achieved
Number of autopsies conducted	3991	4000	3833	Target partially achieved
% Autopsy reports completed within standard period	88.19%	80%	92.33%	Target achieved
% Expenditure on maintenance.	101.97%	100%	100%	Target achieved
% Actual/Projected expenditure on buildings	32.67	100%	72.6%	The funds earmarked for the refurbishment of facilities at SAPS could not be spent.
% Cause of death established / Number of fatalities attended to per year.	88.19%	90%	88.86%	Target partially achieved

2.6.2.7. Expanded Public Works Programme

PURPOSE OF THE GRANT: To subsidise non-profit organisations in Home and Community Based Care via the Provincial Departments of Health and Social Development, to provide stipends to previously-unpaid volunteers and to maximise job creation and skills development in line with the Expanded Public Works Programme guidelines.				
Performance Indicators	Actual Performance against Target			Reason for Variance and Measures Taken
	Baseline (2010/11)	Target (2011/12)	Actual (2011/12)	
Appointment of Home Based Carers	New grant	948	948	Target achieved

2.6.2.8. Infrastructure Grant to Province

PURPOSE OF THE GRANT: To Improve and address infrastructure backlog including maintanace and refurbishment			
Performance Indicators	Actual Performance against Target		Reason for Variance and Measures Taken
	Target (2011/12)	Actual (2011/12)	
Number of New clinics Started	3	1	Court case delayed the other process
Equipment for new clinics and refurbished hospitals	7 clinics and 3 hospitals equipped	4 clinics were equipped	Other clinics were not completed

2.7. Capital Investment, Maintenance and Asset Management Plan

2.7.1. Capital investment

- The building projects that are currently in progress and their expected completion dates:

Project	Anticipated completion
Ladybrand Mantsopa Hospital Phase 2	12 January 2013
Trompsburg Hospital Phase 2	26 April 2013
Pelonomi Perimeter Fence and New Entrance	14 May 2012
Pelonomi ICU	30 September 2012
Pelonomi Radiology	30 June 2012
Boitumelo Contract 10	16 December 2012
Boitumelo Contract 12	28 July 2014
Bolata Clinic	31 March 2013
Metsimaholo Hospital wards and mortuary	25 November 2012
Bongani Hospital	30 August 2012
Renew Elevators Manapo Hospital	30 June 2012
National Hospital Doctors' Quarters	06 May 2012
Bloemfontein EMS College	01 August 2012
Senekal Clinic	22 November 2012
Memel Clinic	20 November 2012
Makhalaneng Clinic	20 November 2012
Viljoenskroon Clinic	20 November 2012
Parys CHC	20 November 2012

- There are no plans to close down or down-grade any current facilities.
- The following is the current maintenance backlog and the Department's plans over the Medium Term Expenditure Framework (MTEF) period,
- The estimated costs of maintenance backlog is summarised as follows per district:

DISTRICT	ESTIMATED COST (HOSPITALS) R' 000	ESTIMATED COST (PHC FACILITIES) R'000	ESTIMATED COST (TOTAL) R'000
MOTHEO	441,000	344,000	**785,000**
FEZILE DABI	167,000	376,000	**543,000**
LEJWELEPUTSWA	76,000	424,000	**500,000**
THABO MOFUTSANYANA	285,000	431,000	**716,000**
XHARIEP	60,000	182,000	**242,000**
ACADEMIC HEALTH COMPLEX (CENTRAL HOSPITAL & FSPC)	685,418	-	**685,418**
TOTAL	**1,714,418**	**1,757,000**	**3,471,418**

- Maintenance framework contracts are currently being put in place in order to address maintenance backlog although some of the maintenance work will be done as standalone contracts depending on the nature and size.
- Going forward there will be a budget made available for maintenance for each year starting with R20m in 2012/13, R30m 2013/14 and R36m 2014/15.
- There is also current pressure on department to motivate for funds for NHI Accelerated Maintenance Implementation Plan for NHI Pilot district
- The developments above will result in an increase on current expenditure.

2.7.2. Asset Management

- Changes in asset holdings over the period under review, including disposals, scrapping and loss due to theft:

Subject	Previous years	Addtions	Total by 31st March '12
Asset Holdings	R1,158,370,017.15	R143,159,051.85	R1,228,677,338.25
Disposed Assets	**Number of auctions held**	**Revenue collected**	
	11	R4,489,582.72	
Theft and Losses	**Number of assets lost/ stolen (59 cases)**	**Losses through Motor vehicle accidents (522 accidents)**	**Total value of Losses and Theft**
	R699,838.40	R4,130,400.17	R4,830,238.57

- The Department has appointed Service Provider to bar-code and capture all assets in the asset register assign values and reconcile the register together with BAS and LOGIS. The assets are now bar-coded with permanent sticking (aluminium) bar-codes. The project started in February 2011 and is currently at the final stage of reconciliation as at 31st May 2012.

- Overview of the current state of the Department's Capital Stock:

- **CLINICS**

Interventions Required	Motheo	Thabo Mofutsanyana	Lejweleputswa	Fezile Dabi	Xhariep	Total
For Replacement	10	17	13	12	4	56
For Upgrading	32	29	13	8	3	85
For Refurbishment	5	7	8	0	0	20
For Maintenance	6	7	9	10	7	39

- **HOSPITALS (including specialised and tertiary hospitals)**

Interventions Required	Motheo	Thabo Mofutsanyana	Lejweleputswa	Fezile Dabi	Xhariep	Total
For Replacement	-	-	-	-	-	-
For Upgrading	3	5	2	2		12
For Refurbishment	5	2	3	2	2	14
For Maintenance	-	2	-	1	-	3

- Some of the major maintenance projects that have been undertaken during the period under review:
    - Phutholoha (Ficksburg) Hospital- Electrical rewiring
    - Tshiame Clinic- rebuilding of partially burnt down clinic.
    - Fauresmith Clinic
    - Manapo elevators
    - National hospital Doctor's Quarters

- No facilities were closed down or down-graded during the period under review.
- The projects that will be carried forward to the forthcoming financial year:
    - All infrastructure projects are multi-year
    - Projects that were planned to start in 2011/12 were started though some at a late stage.

- New projects that will commence in 2012/13:
    - Matlakeng CHC
    - Maletsatsi Mabaso CHC
    - Freedom Square CHC
    - Amelia CHC
    - Schonkenville Clinic
    - Phekolong Clinic / Cornelia
    - EMS Station at Villiers Clinic
    - Elizabeth Ross Hospital Phase 2
    - EMS College

- The department is putting in place procurement and contracting strategy.

2.7.3. Maintenance

- Comparison between the actual expenditure and what the department planned to spend on maintenance:

Project	2011/12 Allocated Budget R'000	Actual Expenditure R'000	% Spent
Maintenance Clinics & Hospitals	22 096	8 317	37.6%

- The expenditure is less than property industry norms.
- Progress made in addressing the maintenance backlog during the period under review:
    - The backlog has grown as the Infrastructure Unit only spent a fraction of its maintenance budget due to late approval to spend funds.
    - The maintenance budget is also too small to address current backlog and maintenance is not as prioritised as much as new projects yet maintenance is crucial for any building's lifespan.

3. PERFORMANCE PER BUDGET PROGRAMME

3.1. The Outline of the Budget Programmes

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

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

Programme 2: District Health Services (DHS): The aim of the Programme is responsible for the rendering and the establishment of District Health Services. The Programme provides District Management, Community Health Clinics, Community Health Centres, Community Based Services, Other Community Services, HIV/AIDS, STIs & TB, Nutrition (MCWH&N), Coroner Services (Forensic Pathology Services), District Hospitals, Communicable Diseases and Non – Communicable Diseases.

Programme 3: Emergency Medical (and Rescue) Services: The aim of the programme is to provide Emergency Medical Services and Patient Transport services in the Free State Province in line with National requirements of a response time to emergencies <15 min in urban areas and <40 min in rural areas.

Programme 4: Provincial Hospital Services: The aim of the Programme is overall management, monitoring and rendering of Level II and Psychiatric services in the Free State, based on district health system.

Programme 5: Central and Tertiary Hospitals: The aim of Programme is to manage, monitor, organise and render Level III and IV tertiary services in the Free State Province. Furthermore, the programme offers training, education, research services as well as improving service delivery of the Medical School and other related fields within the faculty.

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

Programme 7: Health Care Support Services: The aim of the Programme is to render Health Care Support Services as required by the Department to fulfil its Mandates.

Programme 8: Health Facilities Management: The aim of the Programme is to provide adequate Health Facilities and Infrastructure. This Programme is mainly responsible to support all the Health Facilities in the FSDOH Clusters in:

- Planning of infrastructure projects;
- Monitoring and support during the project implementation;
- Assist health institutions with technical advice and support for physical infrastructure needs;
- Advise executive on infrastructure priorities annually.

3.1.1. PROGRAMME 1: ADMINISTRATION

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

Strategic Objectives:

- Oversee the implementation of Government priorities.
- Re-establish Provincial governance structures (GS) chaired by the MEC: Health (i.e. 1 x Provincial Health Council; 1 x Provincial Consultative Forum).
- Implement the integrated strategic planning framework.
- Establish and maintain Strategic Planning, Performance Oversight and Monitoring & Evaluation components and structures.
- Monitor, evaluate, review and report performance management information of the Department.
- Implement Special Programs (i.e. for gender, disability management, and youth development programs) in the Free State Department of Health, in line with DPSA guidelines.
- Comply with the Minimum Information Security Standards (MISS) and Minimum Physical Security Standards (MPSS).
- Strengthen Departmental communication and mass mobilisation.
- Inform and consult the Free State communities on the implementation of the 10 Year FSDOH Service Transformation Plan (STP).
- Measure public and private health establishments' performance against national core standards.
- Ensure compliance of pharmacy facilities in line with legislation to enhance service delivery.
- Develop and Implement the FSDOH Human Resource Plan in 3 phases (i.e. Phase1 = Plan with Nurses Skill Mix Model completed; Phase 2 = Plan with other Health Professionals Skill Mix completed; and Phase 3 = HR Plan finalized).
- Improve Information Communication Technology systems. (ICT)
- Improve management of Health Technology.
- Ensure Compliance with PFMA, Treasury regulations and other legislation in order to achieve clean audit.
- Ensure compliance with the Public Finance Management Act (PFMA) and Treasury regulations.
- Implementation of cost effective procurement process.
- Ensure compliance with all relevant Supply Chain Management (SCM) legislation.
- Improved service level for the medical depot.
- Maintain and improve Provincial Health Management Information System.
- Conduct and monitor health research in the Province.
- Improve transport and fleet management.

SUB PROGRAMME: OFFICE OF THE MEC				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Number Of Strategic Documents Available To Implement Government Priorities.	2010/11 - 2012/13 SOPA Injunctions, MEC Budget Speech & Injunctions, 2009 Health Summit Resolutions, 5 x Yr. FSDOH Strategic Plan, and FSDOH – Quarterly Reports Available.	3 x Strategic Documents Available To Implement Government Priorities: 1.SOPA Injunctions Plan & 4 x Progress Reports. 2. MEC Budget Speech Injunctions Plan & 4 x Progress Reports. 3. Health Summit Resolutions Implementation Plan & 4 x Progress Reports.	• SOPA and MEC Injunctions monthly progress report are available. • The Health Summit resolutions were integrated into the APP and it is part of the quarterly reporting for the Department.	Target achieved.

SUB PROGRAMME: OFFICE OF THE MEC				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Number of Strategic Plans available to implement Government Priorities.	Draft 10 Yr. – Service Transformation. Plan (STP); and Draft Revised 5 x Yr. Strategic Plan (Revised).	2 x Strategic Plans available to implement Government Priorities: (1). 10 Yr. Service Transformation Plan; and (2). 5 Yr. Strategic Plan Available.	• 5-year strategic plan available, with 2011/12 addendum. • Service Transformation Plan was drafted and submitted to National Department of Health.	Target achieved.
(a) Number of Provincial Governance Structures (GS) chaired by MEC established. (b) Appointment Letters of the GS Members & Chairpersons. (c) Number of Meetings Held by each Governance Structure.	2 Governance Structures: (a)1 Provincial Health Council (b)1 Provincial Consultative Forum	2 x Governance Structures: (a) 1 x Provincial Health Council and 4 x Meetings held; (b) 1 x Provincial Consultative Forum and 1 Meeting held.	• 1 Provincial Health Council launched. • No Provincial Consultative Forum held.	The planned meetings were postponed to 2012/13 financial year.

SUB PROGRAMME: ADMINISTRATION: MANAGEMENT				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Number of Plans available.	2010/11 - 2012/13 Annual Performance plan. 5 x District Health Plans Available.	2011/12 - 2013/14 FSDOH – Annual Performance Plan. 5 x District Health Plans Available.	1 Departmental Annual Performance Plan available. 5 DHPs available.	Target achieved.

SUB PROGRAMME: ADMINISTRATION: MANAGEMENT				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Percentage of the Hospitals, Directorates and Institutions having functional Annual Operational Plans (AOPs).	1 x Workshop held for all the Directorates, all the Institutions and all the Hospitals; whereby all were trained to develop the respective 2011/12 Annual Operational Plans (AOPs).	100 % of the Hospitals, Institutions and Directorates with functional Annual Operational Plans. NB: Total = 57 x (i.e. 7 x Main Hospitals, 24 District Hospitals, 20 x Directorates and 6 x Other Institutions excluding Training Institutions APOs are all consolidated under HROD - AOP.	18 Annual Operational Plans and 5 DHPs.	At some institutions and directorates the Annual Performance Plan, with the relevant objectives and indicators, was used as guiding document, therefore additional operational plans were not developed.
a) Number of Policies, Strategies, Plans and Quarterly Progress Reports.	2 x Draft Documents (Policy and Strategy available): a) FSDOH Strategic Planning Policy (Draft); b) FSDOH Provincial M&E Policy (Draft).	4 x Approved Documents (Policy and Strategy available): a) 1 x FSDOH Strategic Planning Policy and 1 x Strategy = 2. b) 1 x FSDOH Provincial M&E Policy and 1 x Strategy = 2.	Strategic Planning and M&E policies in draft form.	The draft policies are in the process of being aligned to the District Health Management Information System policy issued by the National Department of Health and the Monitoring and Evaluation Policy issued by the Presidency at the end of 2011.
b) Number of Planning and M&E Structures.	New Indicator.	2 x Provincial M & E Structures, 5 x District M & E Structures, 6 x Program 4 PHS Hospitals; and 1 x Program 5 UAH	• 2 x Provincial M & E Structures • 5 x District M & E Structures • 6 x Program 4 PHS Hospitals • 1 x Program 5 UAH	M&E and Planning functions are integrated into the management structures at institutional level.
Number of Programme Performance Reviews conducted per Annum.	4 x Treasury Quarterly Performance Review (APP) Reports.	4 x Treasury Quarterly Performance Review Reports.	4 QPR submitted to Provincial Treasury.	Target achieved.
FSDOH Annual Report available.	Annual Report 2009/10 by 31 August 2010.	Annual Report 2010 / 2011 by 31 August 2011.	Annual Report 2010/11 was available and submitted by 31 August 2011.	Target achieved.

SUB PROGRAMME: ADMINISTRATION: MANAGEMENT				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Availability of the FSDOH - Provincial Policy, Strategy and Plan for Implementing Special Programs and number of (i.e. For Gender, Disability Management, and Youth Development Programs).	New Indicator.	(a) 1 x Special Programs Baseline Survey Report. (b) 1 x Approved Proposal for Overhauling the Special Programs. Component available and implemented. (c) 1 x Provincial Policy developed.	• Baseline report not finalised. • Provincial policy to be developed.	Unit not functional for this year due to lack of capacity and clear guidelines on deliverables.
Number of Quarterly Progress Reports for Implementing Special Programs and number of (i.e. For Gender, Disability Management, and Youth Development Programs).	New indicator.	4 x Quarterly Progress Reports.	Progress reports not available.	Unit not functional for this year due to lack of capacity and clear guidelines on deliverables.
Number of Institutions wherein Security Risk Assessments conducted.	New indicator.	9 x Institutions Assessed (i.e. Bophelo House x 1, 1 x Medical Depot, 6x PHSCD Hospitals and 1 x Central Hospital).	• 1 Central Hospital • 5 Regional Hospitals • 5 District Hospitals • 6 Clinics	Target achieved. 17 Institutions were assessed. The target was 9 institutions, but the Ministerial task team prioritised others over and above those which were targeted. Therefore 17 were assessed.
Number of Institutions with Basic Security Measures.	Draft FSDOH -Basic Security Measures Guidelines Document developed and issued to all Institutional Heads for consultation and feedback.	(a) Approved FSDOH – Basic Security Measures Guidelines Document issued to all Institutional Heads. (b) 9 x Institutions Assessed (i.e. Bophelo House x 1; 1 x Medical Depot, 6 x PHSCD Hospitals and 1 x Central Hospital).	Approved FSDOH Basic Security Measures Guidelines document in line with the Ministerial Task Team.	Target achieved. A guideline document on basic security measures was developed by the Ministerial task team and used during the assessment of the 17 institutions.
Number Of Community Road Shows Conducted.	New indicator.	10	16	Target achieved.
Number Of Pro-Active Media Releases Issued;	New Indicator.	12	12	Target achieved.

SUB PROGRAMME: ADMINISTRATION: MANAGEMENT				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Number Of Employee Targeted Publications Issued.	New Indicator.	8	37	Target achieved.
Availability of the Communication Strategy and Plan for informing and consulting the Free State Communities on the implementation of the 10 Year FSDOH – Service Transformation Plan (STP).	New Indicator.	a) Communication Strategy and Plan developed and implemented. b) 4 x Quarterly Reports.	The communication framework document on the STP was developed. b) No quarterly reports.	The Service Transformation Plan (STP) was drafted and submitted to National Department of Health. The communication framework was depended on the final approval and implementation of the STP.
Number of Public Hearings and Staff Information Sessions held per District.	New Indicator.	(a) 10 (i.e. 2 x per District) Staff Information Sessions held. (b) 10 (i.e. 2 per District) x Public Hearings held.	(a) 1x staff Information session held. (b) No public hearings.	Some scheduled sessions were cancelled due to other provincial priorities.
Number of public and private health establishments with performance assessment reports.	112 (of 286) health establishments with performance assessment reports.	140 (of 286) health establishments with performance assessment reports.	All the 262 Public Health Establishments with performance assessment reports.	Target achieved.
Number of Pharmacy Facilities that are fully compliant with Legislation.	25 Hospitals and CHCs fully compliant.	Maintain 39 fully complaint Hospital, CHC and Medical Depot pharmacy facilities.	23 Hospitals and CHCs fully compliant.	The licenses of 12 facilities expired in December 2011 and awaiting inspection from SAPC. 4 Facilities have infrastructure challenges.
Availability of the FSDOH – HR Plan.	Draft FSDOH – HR Plan available.	Phase 1 of the Plan developed (i.e. FSDOH – HR Plan with Nurses Skills Mix Model finalised).	The Nurses Skills Mix Model is in draft form. The draft documents for 6 x Regional Hospitals and 3 x District Hospitals have been developed.	The accuracy of the statistics received from the Hospitals as well as from DHIS was a challenge. The challenge of coordinating the diaries of all the relevant stakeholders also delayed the process.
Vacancy Rate.	19% vacancy rate. (3 827/19 713 posts) Based on approved posts after abolishment of 8 688 posts from the initial 28 401).	30 % Vacancy Rate.	16.9%.	Target achieved.

SUB PROGRAMME: ADMINISTRATION: MANAGEMENT				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Number of funded vacant posts filled (i.e. based on the baseline of 1371 posts filled in 2010/11 up to 3rd Quarter).	New indicator.	1 797 X Funded Vacant Posts Filled (i.e. Based on the baseline of 1 371 posts filled In 2010/11 up to 3rd Quarter).	All the approved 1 797 posts were filled.	Target achieved.
Number of institutions ICT upgraded and or replaced.	New Indicator.	Approved ICT Policy and Strategy.	ICT policy in place.	Target achieved.
	New Indicator.	Servers at 6 Institutions were replaced.	Order was placed for the nine (9) institutions' servers with the supplier in March 2012. *(Delivery of the hardware occurred in the first week of April 2012).*	The delay was due to the need to re-quote and to submit for re-approval due to the currency exchange fluctuations.
Number of new facilities equipped. Standardised Equipment lists at all levels of care.	3 Hospitals 40% equipped. 1 Clinic fully equipped.	3 x Hospitals & 3 x clinics with standardised equipment lists.	Standardised Equipment list available at all levels of care.	Target achieved.
Compliance with National and Provincial Strategic Planning and Reporting prescripts.	The Final 2011/12 -2013/14 FSDOH Annual Performance Plan (APP) was submitted to Provincial Treasury and the Provincial Legislature on 22 March 2011, within the prescribed deadline and prescripts.	Compliance with the prescripts.	Compliance achieved.	Target achieved.
Statement/ reports/ certificates submitted in line with prescripts.	Statement / reports / certificates were compiled and submitted monthly 10 days after BAS closure.	Statement/reports/ certificates submitted in line with prescripts: 100% Compliance.	100% compliance.	Target achieved.
Clean Audit.	Complied in monitoring the audit plan.	Clear the following audit issues: Accruals, Commitments, Misstatements, PPP, Assets, Finance Leases, Joint Establishment, Compensation of Employees, Contingent and Assets Liabilities.	All the targeted audit issues were cleared.	Target achieved.

SUB PROGRAMME: ADMINISTRATION: MANAGEMENT				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Contracts at market related price.	100% of contracts arranged.	100% of contracts arranged.	100%.	Target achieved.
Number of Facilities complying with all relevant Supply Chain Management (SCM) legislation.	0 of /25.	31(100%) of stores fully implementing 5/5 elements of SCM: · Demand Management · Acquisition Management · Logistics Management · Disposal Management · Supply Chain Management · Performance Contract	31 (100%)	Target achieved.
Percentage of Institutional Demand met within standard delivery time, emergency medicines: 48 hours, others (4-6 weeks).	53.98%.	Meet at least 90% demand of institutions.	64.93%.	Poor supplier performance and incorrect provisioning factors used to determine optimal stock levels at health facilities.
Review of data elements and indicators used.	New indicator.	Reviewed Data Set.	Data set reviewed in 1st Quarter.	Target achieved.
Number of Supervisory and Support Outreach Visits to the 5 x Districts and 7 x Main Hospitals (i.e. 6 x Programme 4 Hospitals & 1 x Programme 5) by the 3 Multi – Disciplinary Team Reps of Health Info Man Unit, M & E Unit and Strategic Planning Unit.	New indicator.	5	Support visits and reporting work sessions inclusive of PHC and level 2 Hospitals were conducted in each of the 5 Districts.	Target achieved.
Number of Annual Provincial Data Quality Workshops conducted.	New indicator.	1	One provincial data quality workshop done.	Target achieved.
Availability of the Reviewed Provincial Management Information Policy and Strategy.	New indicator.	Policy and Strategy developed and approved.	Policy and Standard Operating Procedures in draft form.	Policy development was delayed due to the District Health Management Information System Policy issued by the National Department of Health at the end of 2011.

SUB PROGRAMME: ADMINISTRATION: MANAGEMENT				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Establish Provincial Health Research Committee.	New Indicator.	3 x meetings.	1 meeting.	The launch of the Committee was only done in March 2012.
Number of Research Projects conducted.	1 research project.	1 research projects.	1x Research Project Running.	Target achieved.
% of vehicles well serviced and maintained in order to provide reliable Transport Service.	New indicator.	100%.	100%.	Target achieved.

3.1.2. PROGRAMME 2: DISTRICT HEALTH SERVICES (DHS)

The aim of the programme is to render and the establish District Health Services. The Programme provides District Management, Community Health Clinics, Community Health Centres, Community Based Services, Other Community Services, HIV/AIDS, STIs & TB, Nutrition (MCWH&N), Coroner Services (Forensic Pathology Services), District Hospitals, Communicable Diseases and Non – Communicable Diseases.

Strategic Objectives:

District Management

- Ensure functional governance structures at all level 1 facilities.

Community Health Clinics / Community Health Centres

- Intensify health promotion programs.
- Enhance the implementation of school health services.
- Provide appropriate and accessible PHC Services to the Free State Community.
- Improve patient care & satisfaction.
- Improve accessibility of services at Primary Health Care facilities.
- Strengthen Rural Health strategy.
- Provide appropriate and accessible PHC to the Free State community.

Community Based Services

- Extend the scope of the NGOs beyond the specific programmes beyond HIV AIDS and TB programmes.

Coroner Services (Forensic Pathology Services)

- Improve problem identification

District Hospitals

- Improve accessibility of services at District Hospitals.
- Provide appropriate and accessible Hospital Services to Free State Community.
- Improve patient care & satisfaction.
- Ensure compliance with the National Core Standards and requirements so as to qualify for NHI accreditation.
- Implement the Minister's Priorities.
- Implement quality assurance Policy and Strategy at institutions.
- Implement provincial quality improvement strategy.

HIV & AIDS, STIs AND TB

- Implement healthcare provider-initiated HIV Counseling and Testing (HCT) in all health facilities.
- Rapidly scaling up condom distribution at all health facilities.
- Increase the number of new patients initiated on Antiretroviral Therapy (ART).
- Initiate people with HIV and AIDS and Tuberculosis (TB) co-morbidity at a CD 4 count of 350 or less, on ART.
- Strengthening community involvement in the TB DOTS Programme.
- Increase the percentage of HIV patients started on Cotrimoxazole Prophylaxis and the percentage of HIV patients started on Isoniazid Preventive Therapy (IPT).
- Reduce the incidence of drug resistant TB.
- Increase the provincial average TB cure rate from 71.7% equal to or greater than 85%.

HIV Testing at an HCT Campaign Event

MEC Ngubentombi and community members at Kick TB activation event at Sasolburg

Maternal, Child, Women's Health and Nutrition

- Increase the provincial immunisation coverage from 86,6% to 95%.
- Increase the percentage of children under 1 year of age that are vaccinated with Pneumococcal and Rotavirus vaccines to 90% in all districts.
- Increase the provincial Measles coverage from 88.3% to 93%.
- Enhancing the clinical skills of health workers in Essential Steps in Management of Obstetric Emergencies (ESMOE).
- Increased access to Highly Active Antiretroviral Therapy (HAART) for eligible HIV positive pregnant women.
- Reduce maternal mortality ratio.
- Reduce infant and under 5 child mortality rate.
- Implementation of PMTCT, Paediatric treatment guidelines.

Disease prevention and control

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

SUB PROGRAMME: DISTRICT MANAGEMENT				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Number of governance structures having at least 6 meetings per annum.	5 DHCs functional, 183 Clinic Committees functional.	196 Clinic Committees & 5 District Health Councils.	196 Clinic Committees, 5 District Health Councils.	Target achieved.
	13 Hospital Boards.	13 Hospital Boards.	13 Hospital Boards.	Target achieved.

SUB PROGRAMME: COMMUNITY HEALTH CLINICS / COMMUNITY HEALTH CENTRES				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Provincial PHC expenditure per uninsured person.	R304	R180	R388.22	Target achieved
PHC total headcount under 5 years.	1 054 644	1 000 000	1 090 776	Target achieved.
Utilisation rate – PHC.	2.2	3.5	2.5	No interfacing of information between DHIS and Meditech. Information patients seen on outreach to be incorporated into DHIS.
Percentage of fixed PHC facilities with a monthly supervisory visit.	79.%	80.0%	75.4%	Fezile Dabi District did not have dedicated supervisors.
CHCs with resident doctor rate.	48.0%	100.0%	22.5%	Some of the CHCs are visited by sessional doctors and others by doctors from the hospitals.
Percentage of complaints of users of PHC Services resolved within 25 days.	70.5%	60%	75.3%	Target achieved.

SUB PROGRAMME: COMMUNITY HEALTH CLINICS / COMMUNITY HEALTH CENTRES				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Number of Local Areas implementing Healthy lifestyles Program.	All 20 local areas are implementing Healthy lifestyles promotion programs.	Sustain 20 local areas.	9/20 Local areas.	Implementation not taking place due to no focal personnel for the program.
Number of Local Areas implementing school health services.	20 local areas implemented school health services.	Sustain 20 local areas.	13/20 Local areas.	Number of school health teams not enough to cover all local areas.

SUB PROGRAMME: COMMUNITY HEALTH CLINICS / COMMUNITY HEALTH CENTRES				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Improved progress on achievement of efficiency targets.	R115.00	Expenditure per headcount R88.00.	R133.72	Target achieved
	6 522 688	Total headcounts 6 700 000	7 190 425	Target achieved.
	33	Doctor clinical work-load 35 Patients.	38.3	Target achieved.
	34.2	Nurse clinical work-load 35 Patients.	36.9	Target achieved.
	3.5	Utilization rates CHC facilities below 5 years (5 visits) 5.0	3.7	No interfacing of information between DHIS and Meditech. Information patients seen on outreach to be incorporated into DHIS.
Improve patient satisfaction rate at level 1 service to at least 85 %.	83% (Independent study).	≥ 85%	79%	The long waiting times at PHC facilities resulted in the low patient satisfaction rate.
Percentage of facilities implementing the full PHC (based on the referral system) package.	212 Clinics are rendering the full package in line with the referral system and District Health package.	100% of clinics. (212/212)	100% of clinics (212/212) implement PHC (based on the referral system) package.	Target achieved.
Number of visits to farms on 6 weekly basis.	29 971 visits	Farms visited 4 weekly, 6 weekly & 8 weekly.	Farms visited 4 weekly, 6 weekly & 8 weekly 43 495 visits	Target achieved.
Headcounts for mobile clinics.	250 535	5% increase from baseline	Declined by 2.7% (243 843)	The drop in mobile headcounts while the OPD headcounts increased.

SUB PROGRAMME: COMMUNITY BASED SERVICES				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Number of NGOs on service level agreements to do other PHC functions, support, education defaulter and tracing.	66	40 NGOs contracted to do other PHC functions.	40 NGOs	Target achieved.
Number of patients seen for Home Based Care.	25 500	26 500	21 962	Fewer home visits were conducted due to the care givers that were recruited into the PHC re-engineering and trained as Community Health Workers doing household profiling. They could not be replaced by the Home Based Care Program because they are still receiving their stipend from the HIV Conditional Grant.

SUB PROGRAMME: CORONER SERVICES (FORENSIC PATHOLOGY SERVICES)				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
% Medico legal cases attended to where cause of death remained unknown.	10%	<10%	11.8% (451 of 3 833 cases)	Long turnaround times for results of special investigations done outside the Department.

SUB PROGRAMME: DISTRICT HOSPITALS				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Number of facilities implementing the full District Hospital packages	6 District hospitals rendering full packages in line with referral system.	7/24 district hospitals	7/24 District Hospitals implement the District Hospital Package	Target achieved

SUB PROGRAMME: DISTRICT HOSPITALS				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Efficiency Indicators: Caesarean Section Rate, Total Separations, PDE, OPD Head Counts, ALOS, BUR and Cost/PDE	12.4%	Caesarean Section Rate: <12.4%	13.8%	C/S is based on clinical reasons as a result of increased burden of diseases.
	115 514	Total Separations: 63 456	116 890	Target achieved
	536 943	PDE: 219 212	583 233	Target achieved
	R1 586	Cost/PDE: R1 600	R1 582	Target achieved.
	DHS: 3 days	ALOS: 3 days	3.2 days	Target achieved.
	445 748	OPD Head Counts: 268 318	520 377	An increase is due to patients that by-pass PHC facilities, going directly to hospitals.
	63%	BUR 75%	66.3%	There is slight increase in BUR, however the low rates are as a result of shortage of doctors and some hospitals that are undergoing renovations.
Patient satisfaction Rate.	83.0%	85%	84%	Target partially achieved.
Percentage of complaints of users of District Hospital Services resolved within 25 days.	100%	100%	56.4%	Some complaints are complex and require longer time to investigate and conclude.
Percentage of score achieved from Provincial and National Assessments.	No baseline.	60%	60%	Target achieved.

SUB PROGRAMME: DISTRICT HOSPITALS				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Waiting times reduction rate.	Emergency and Trauma: 15 minutes.	Emergency and Trauma: 15 minutes.	Emergency and Trauma 41 min. (Average)	Due to shortage of Medical officers it is not always possible to have a doctor on site in emergency units.
	Admissions: 60 min.	Admissions : 60 minutes.	Admissions: 39 min. (Average)	Target achieved.
	OPD: 2 Hrs.	OPD : 2 Hrs.	OPD 3 Hrs. 16 min. (Average)	Shortage of Medical Officers at District Hospitals. Some patients bypass PHC facilities, thus causing longer waiting times in hospitals.
	Med. Casualty: 1 Hour.	Med. Casualty: 1 Hour	Med. Casualty 3 Hrs. 01 Min. (Average)	
	Pharmacy : 1 Hour.	Pharmacy : 1Hour	Pharmacy: 1 Hr. 1 min. (Average)	Target achieved.
	Radiology: 1Hour.	Radiology: 1 Hour	Radiology 27 min. (Average)	
Availability of medication	95%	95% (12 week buffer stock).	96%	Target achieved.
Nosocomial infection control rate	<5%	<10%	0.3%	Target achieved.
Number of institutions fully compliant to quality assurance policy & strategy.	Only 11 out of 21 district hospitals achieved 80%	Sustain 21 district hospitals to reach 80%	11 district hospitals achieved a score of 80% (13 Hospitals achieved B grade 60 - 79%)	Non-compliance with patient safety measures.
Number of Institutions compliant with Hospital Emergency Preparedness Plans	24 District Hospitals have emergency preparedness plans in place and implemented	24	24	Target achieved.
Percentage of District Hospitals with monthly M & M Meetings	0%	100%	42.6%	Meetings affected by shortage of doctors at district hospitals.

SUB PROGRAMME: HIV & AIDS, STIs AND TB				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Number of adult patients initiated on ART.	73 917 adult patients initiated on ART	99 622 adult patients initiated on ART.	133 518	Target achieved. Scaling up of HIV Counseling and Testing due to the HCT campaign resulted in more patients put on treatment.
Number of child patients initiated on ART.	8 062 child patient initiated on ART	9 802 child patients initiated on ART.	11 477	Target achieved. ART expansion and NIMART implementation.
Percentage of people with HIV and AIDS and Tuberculosis (TB) co-morbidity at a CD4 count of 350 or less, initiated on ART.	65%	≥70%	85.3%	Target achieved. Training and monitoring of services improved uptake of legible TB-HIV patients to ART.
TB cure rate of new smear positive patients.	71.5%	77%	73.4%	Partially achieved. Death rate amongst TB patient is high currently 13.8%. In-service training for CHW should emphasise the importance of collection of sputum at the end of treatment to confirm cure.
Antenatal client HIV 1st test rate. Numerator: Antenatal client HIV 1st test Denominator: Antenatal client eligible for HIV 1st Test	80.3%	100% of ANC clients tested for HIV	97.2%	Target achieved.
Percentage of health facilities implementing Health care provider initiate HIV Counselling and Testing (HCT).	84%	100%	100%	Target achieved.
Male condoms distribution rate.	9	10	12.2	Target achieved. Increased number of condoms distributed during the HCT campaign also improved the distribution rate.

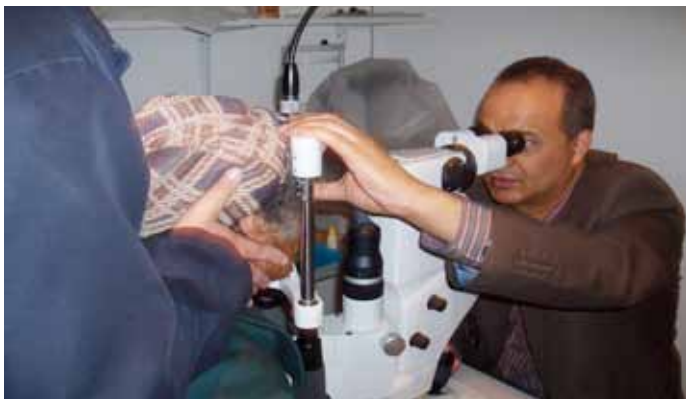
SUB PROGRAMME: HIV & AIDS, STIs AND TB				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Percentage of HIV patients started on Cotrimoxazole Prophylaxis	25%	30%	38.7%	Target achieved.
Percentage of HIV patients started on Isoniazid Preventive Therapy (IPT).	28% IPT uptake among HIV positive patients.	40%	52.2%	Target achieved.

Kangaroo Mother Care and breastfeeding is promoted in all health facilities in the effort to realise the 2nd key outputof decreasing maternal and child mortality.

SUB PROGRAMME: MATERNAL, CHILD, WOMEN'S HEALTH AND NUTRITION				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Percentage of children under <1 years of age, fully immunised.	81.5%	91% Expanded Programme on Immunisation coverage	91.7%	Target achieved.
Percentage of children immunized with the new vaccines Pneumococcal and Rotavirus vaccine.	68.5%	70% (Pneumococcal)	90.9%	Target achieved. Immunization campaign conducted during fourth quarter.
	75.6%	70% (Rotavirus)	97.6%	
Percentage of children under <1 years of age, fully immunised against measles	85.9%	91%	94.7%	Target achieved.
Vitamin A coverage 12 - 59 months.	88.9%	40.0%	47.8%	Target achieved.

SUB PROGRAMME: MATERNAL, CHILD, WOMEN'S HEALTH AND NUTRITION				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Number of Health Professionals trained in ESMOE.	102 Health Professionals trained on ESMOE.	160 Health Professionals trained in ESMOE.	191	Target achieved. Over performance due to accelerated ESMOE training to reduce maternal and child mortality.
Percentage of eligible HIV positive pregnant women placed on Highly Active Antiretroviral Therapy (HAART).	40%	50%	68.5%	Target achieved.
Facility maternal mortality ratio (per calendar year).	243 per 100 000 live births	Reduce MMR to 230 per 100 000 live births	273/100 000 live births(2011 calendar year)	About 51% of the maternal deaths are due to HIV-related complications. The prevalence of HIV in pregnant women increased from 30.1% to 30.6%. The rate of antenatal bookings before 20 weeks remains low at 47.1%. The impact of the measures implemented by the Department will show at later stage.
	Obstetric related causes 42.3%.	Reduce MMR due to obstetric-related causes to 20%.	41.6% (saving mothers' report 2008-2010)	
Facility mortality rate for children <1.	23 per 1 000 live births in facility.	33 per 1 000 live births in facility	24.6/1 000 live births in facility.	Target achieved.
Facility mortality rate for children <5.	26 per 1000 live births (Facility based data).	53 per 1 000 live births.	25.3/1 000 live births.	Target achieved.
Percentage reduction in Mother to Child Transmission Rate.	4%	≤ 6% MTC Transmission Rate.	2.96%	Target achieved.
Percentage of antenatal care facilities implementing revised therapy for PMTCT.	100% of facilities are delivering the revised PMTCT therapy.	100% (New guidelines)	100%	Target achieved.
Percentage of eligible HIV positive women with a CD4 count of <350, initiated on ART.	40%	≥100%	68.4%	Target not achieved.
Cervical cancer screening coverage.	37.4%	50.0%	44.2%	Target achieved.

SUB PROGRAMME: MATERNAL, CHILD, WOMEN'S HEALTH AND NUTRITION				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Antenatal visits before 20 weeks rate.	47.6%	70.0%	47.1%	Booking systems is still used at some facilities and this has an impact on a number of bookings done. Some women start antenatal care at general Practitioners and come to the Public facility late in the pregnancy
Baby tested PCR Positive six weeks after birth as a proportion of babies tested at six weeks.	6.0%	5.0%	2.96%	Target achieved.



Dr JM Marais (Specialist Opthalmologist) conducting an eye examination on a patient at the eye clinic. Eye care services were provided at different centres in the Province to help improve the lives of the community members, especially the elderly.

The prevention and control of non-communicable diseases, e.g. High Blood Pressure and Diabetes, was monitored as part of the HCT campaign.

SUB PROGRAMME: DISEASE PREVENTION AND CONTROL				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Percentage of Outbreaks responded to within 24 hours.	1 day	100%	100%	Target achieved.
Malaria fatality rate (annual).	0%	0%	0%	Target achieved.
Cholera fatality rate (annual).	0%	0%	0%	Target achieved
Cataract surgery rate	701 / 1 000 000 indigent population (1 734 operations)	1 500 per 1 000 000 indigent population	1 636 per 1 000 000 (3 938 operations)	Target achieved

3.1.3. PROGRAMME 3: EMERGENCY MEDICAL (AND RESCUE) SERVICES

The aim of the programme is to provide Emergency Medical Services and Patient Transport services in the Free State Province in line with National requirements of a response time to emergencies <15 min in urban areas and <40 min in rural areas.

Strategic Objectives:

- Provide an efficient pre-hospital and inter-hospital patient transport service.
- Provide an efficient planned patient transport service.

The EMS provides emergency medical and rescue services. This is done in collaboration with other organs of Government, e.g. the SANDF.

SUB PROGRAMME: EMERGENCY MEDICAL SERVICES				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Number of Rostered Ambulances per 10 000 people.	96 of required 290 ambulances	130 of required 290 ambulances	130 ambulances rostered (0.44/10 000)	Target achieved
Percentage of P1 calls within the response time less than 15 minutes in an urban[1] area	29.3%	70%	49.4%	More funding is required for the appointment of more personnel and for leasing additional vehicles in order to be able to reach the targets set for response times in the urban and rural areas.
Percentage of P1 calls within the response time less than 40 minutes in a rural area.	22.6%	50%	28.1%	
Percentage of all calls with a response time within 60 minutes.	58.3%	70%	42.4%	

SUB PROGRAMME: PLANNED PATIENT TRANSPORT				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Number of rostered planned patient transport vehicles in the Province	New Indicator	40	63	Additional vehicles were procured in the financial year to augment the older ones.

1 *Urban is defined as the towns within the Free State, all other areas outside the towns are regarded as rural areas.*

3.1.4 PROGRAMME 4: PROVINCIAL HOSPITALS

The aim of the Programme is overall management, monitoring and rendering of Level II and Psychiatric services in the Free State, based on district health system.

Strategic Objectives:

- Ensure Hospital Boards and Mental Health Review Boards are functional.
- Develop and Implement functional Annual Operational Plans.
- Train and develop the hospitals' CEOs in hospital management.
- Ensure provision of a full package of regional hospital services and comprehensive Psychiatric services.
- Conduct Morbidity and Mortality (M&M) meetings.
- Implement National / Provincial Core Standards (quality standards).
- Improve patient satisfaction / experience.
- Ensure compliance with National Core Standards and requirements so as to qualify for NHI accreditation.
- Implement the Minister's priorities.
- Enhancing the clinical skills of health professionals in Essential Steps in the Management of Obstetric Emergencies (ESMOE).
- Strengthen communication between level 1 and 2 O&G, Paediatric services.
- Provide outreach program for clinical services to district hospitals.

SUB PROGRAMME: a. General (Regional) Hospitals, b. Specialized Hospitals: Psychiatric/Mental Hospitals				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Number of Hospital Boards having at least 6 meetings per annum.	New Hospital Boards appointed in February 2011 for all provincial hospitals.	6	3	3 hospital boards had challenges of availability of Chairpersons and quorum to hold meetings.
Number of Mental Health Review Boards having at least 12 meetings per annum.	The Mental Health Review Boards are functional	3	3	Target achieved.
Number of Hospitals with functional AOPs.	New Indicator.	6 x Hospitals AOPs 1 X Consolidated Program 4 APP	6 AOPs. Consolidated Program 4 performance plan is integrated into the Departmental APP.	Target achieved.
Number of CEOs that are enrolled in pursuing the qualification of Hospital Management Degree or Post Graduate Degree	The CEOs are qualified in Management.	3 Enrolled (1 Health Management)	• 2 CEOs in the process of completing Hospital Management qualifications. • 1 CEO completed Health Management qualification.	Target achieved.

SUB PROGRAMME: a. General (Regional) Hospitals, b. Specialized Hospitals: Psychiatric/Mental Hospitals				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Number of CEOs that have completed the qualification of Hospital Management Degree or Post Graduate Diploma.	The CEOs are qualified in Management.	3 Completed	3 CEOs completed qualifications.	Target achieved.
Number of level 2 disciplines and comprehensive psychiatric services available.	Number of level 2 disciplines is: Bongani: 9/9 Boitumelo: 6/9 Dihlabeng: 8/9 MMM: 4/9 Pelonomi: 9/9	9 Disciplines at 3 Regional hospitals, 8 disciplines at 2 regional hospitals, 1 at FSPC.	• 9 disciplines x 1 • 8 disciplines x 2 • 7 disciplines x1 • 4 disciplines x1 • 1 discipline (FSPC)	4 Provincial hospitals achieved set targets (Pelonomi, Bongani, Dihlabeng and FSPC). Hospitals in more rural districts are not able to recruit and retain specialists.
% Regional Hospitals having Monthly Morbidity and mortality meetings.	New Indicator	100%	100%	Target achieved.
Caesarean Section Rate	50.8%	43%	49.9%	Due to increase burden of the disease and the number of high risk patients.
Total Separations	93 755	85 550	94 371	Target achieved.
Patient Days Equivalents	536 943	270 165	642 402	Target achieved
Total OPD Head Counts	310 851	275 330	403 132	Target achieved
Average length of stay	Regional Hosp.: 5 days	Regional Hospital: 4 days FSPC = Observation Unit = 30 days Acute Wards = 18 days	• Regional Hospitals: 4.8 days • FSPC Observation Unit: =25 days Acute Wards = 18 days	Within target range.
Bed Utilisation Rate	BUR: 71.7%	75%	69.0%	Bed utilization low in hospitals with limited number of medical doctors and specialists.

SUB PROGRAMME: a. General (Regional) Hospitals, b. Specialized Hospitals: Psychiatric/Mental Hospitals				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Expenditure per Patient Day Equivalent	Cost/PDE: R1 867.00	Regional Hospitals = R2 500 FSPC = R770	• Regional Hospitals: R2 231 • FSPC: R938	Target achieved.
Patient Satisfaction Rate.	83.7%	80%	88%	Target achieved.
% of Score achieved from Provincial and National assessments.	85%	60%	60% - 79%	The average for Provincial hospitals is grade B (60-79%).
Waiting times reduction rate	Average Waiting times for 6 Regional Hospitals: Trauma: No data Admissions: 54 min OPD: 185 min Medical Casualty: 102 min Pharmacy: 69 min Radiology: No data	Emergency and Trauma: 15 minutes	32 min	Due to shortage of Medical officers it is not always possible to have a doctor on site in emergency units. Waiting times for Pharmacy and Radiology are within the norm.
		Admissions : 60 minutes	78 min.	
		OPD : 2 Hours Medical	2 Hours 20 min	
		Casualty : 1 Hour	1 Hour 15 min	
		Pharmacy : 1 Hour	39 min	
		Radiology: 1Hour	33 min	
Availability of medication	92.9%	95% (12 week buffer stock)	94.78%	Target achieved.
Nosocomial infection control rate	1.91%.	<10%	1.9%	Target achieved.
Number of trained doctors and midwives in Regional Hospitals	New Indicator	2 Doctors and 2 Midwives	79 doctors and 80 midwives	Over-performance due to accelerated ESMOE training to reduce maternal and child mortality. All intern doctors included in ESMOE training.
Number of structured meetings between District and Regional Hospital for O&G and Paediatric.	New Indicator	6 Meetings per hospital	Pelonomi = 10 Bongani = 10 Boitumelo = 3 Dihlabeng = 18 MMM =5 Cumulative figures	Boitumelo and MMM had challenges with specialists in O & G to hold these meetings.

SUB PROGRAMME: a. General (Regional) Hospitals, b. Specialized Hospitals: Psychiatric/Mental Hospitals				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Number of clinical disciplines conducting outreach programs per Provincial Hospitals.	New Indicator	Clinical disciplines per Hospital; Boitumelo 4 Bongani 4 Dihlabeng 4 MMM 4 Pelonomi 6 FSPC 1	Pelonomi = 5 FSPC = 1 Bongani =2 Boitumelo = 2 Dihlabeng = 4 MMM = 2	The hospitals that did not meet the target had challenges with specialists.
Percentage of complaints of users of Regional Hospital Services resolved within 25 days.	75%	80%	75.4%	Target partially achieved. Some complaints are complex and require longer time to investigate and conclude.
Percentage of Regional Hospitals with monthly Mortality and Morbidity Meetings.	0%	100%	100%	Target achieved.

3.1.5. PROGRAMME 5: CENTRAL AND TERTIARY HOSPITALS

The aim of Programme 5 is to manage, monitor, organise and render Level III and IV tertiary services in the Free State Province. Furthermore, the programme offers training, education, research services as well as improving service delivery of the Medical School and other related fields within the faculty.

Strategic Objectives:

- Implement National / Provincial core standards (quality).
- Improve patient satisfaction.
- Develop and implement functional Annual Operational Plan (AOP).
- Implement clinical governance programme.
- Maintain service quality standards.
- Strengthen outreach to regional hospitals.
- Implement telemedicine between UAH and regional hospitals.

The new Synergy linear accelerator, to the value of R37m, installed at the Oncology Unit for Cancer Treatment.
This is the first Synergy installed in Sub Saharan Africa with IMRT (Intensity Modulated Radiotherapy) and Stereotactic capabilities.

SUB PROGRAMME: CENTRAL HOSPITAL SERVICES (TERTIARY HOSPITALS (THS) = (ACADEMIC HOSPITALS & TERTIARY HOSPITALS)				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Caesarean Section Rate.	72.7%	68.8%	67.7%	Target achieved.
Total Separations.	27 513	26 626	29 097	Target achieved.
Patient Days Equivalents.	259 816	272 627	282 353	Target achieved.
Total Head Counts.	289 005	243 336	363 823	Target achieved.
Average length of stay.	5.9 days	5	5.6 days	ALOS is under control at present and close to the target number of days.

SUB PROGRAMME: CENTRAL HOSPITAL SERVICES (TERTIARY HOSPITALS (THS) = (ACADEMIC HOSPITALS & TERTIARY HOSPITALS)				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Bed Utilisation Rate.	72.7%	75%	72.2%	The bed utilisation rate of 72.2% was due to the holiday season, where elective theatre work was not done. Thus, less surgical patients were admitted in part of December 2011 and January 2012.
Expenditure per Patient Day Equivalent.	R 4,133	R4,371, 52	R3,938	Target achieved.
Percentage of users visiting tertiary services that is satisfied with the services.	>85%	>85%	89%	Target achieved. Conducted through an independent survey.
Percentage of Complaints resolved within 25 days.	100%	100%	100%	Target achieved.
Functional Annual Operational Plan.	1 Annual Performance Plan / Annual Operational Plan	1 Annual Performance Plan / Annual Operational Plan.	1 Annual Performance Plan / Annual Operational Plan.	Target achieved.
Retrospective review rate of medical records.	New Indicator	10%	69.8% score with a 10% sample check.	Target achieved.
Morbidity Meetings held.	12	12	12	Target achieved.
% Compliance with core standards.	>85%	>80% measured against National Core Standards	96%	Target achieved.
Number of outreach visits per regional hospital per annum.	Bongani: 18 , Dihlabeng: 14, MMM :14, Boitumelo: 14	Bongani: 90 Dihlabeng: 80, MMM :70, Boitumelo: 100	Bongani:88 Dihlabeng: 82, MMM :67 Boitumelo: 96 (Cumulative)	New disciplines commenced their outreach programmes later in the year.
Percentage of Departments involved in outreach programme per regional hospital.	New Indicator	Bongani: 25% Dihlabeng: 25% MMM: 25% Boitumelo: 25%	Bongani 24.8% Dihlabeng 25%, MMM 24.5% Boitumelo24.5%,	Target achieved.

SUB PROGRAMME: CENTRAL HOSPITAL SERVICES (TERTIARY HOSPITALS (THS) = (ACADEMIC HOSPITALS & TERTIARY HOSPITALS)				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Number of in service training encounters by the Reproductive and Child Health Unit.	10	20	22	Target achieved.
Number of telemedicine encounters between UAH and regional hospitals.	Teleradiology: MMM-Pelonomi 203; Bongani-UAH: 289	At least 5 monthly telemedicine encounter between all regional hospitals and UAH; Teleradiology between MMM, Dihlabeng, Boitumelo, Bongani, KHC and UAH	0	Delays in the implementation were due to technical upgrades.
Number of active teleradiology links between UAH and regional hospitals.	3 active links	5	2 out of 5 functional	

3.1.6. PROGRAMME 6: HEALTH SCIENCES AND TRAINING

The aim of the programme is primarily responsible to provide training as well as promoting research and development of health systems.

Strategic Objectives:

- Increase the supply of nurses in the Free State.
- Train different categories of employees.
- Improve educational level of lower categories (Level 1-3).
- Promote employability and sustainable livelihood through skills development.
- Intake of new Bursary Holders.

SUB PROGRAMME: HEALTH SCIENCE TRAINING (HST)				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
No. of new student nurses enrolled for training.	585	500	856	Target achieved. Increase in learnership intake through the Nursing Schools and partnership with Netcare.
No. of student nurses completed training.	New Indicator.	400	336	The re-opening of Nursing schools was delayed. The target had taken into account completion of students in newly re-opened nursing schools.
Number of managers and senior managers trained in various management programs.	85	60	121	Target achieved. In-house training was arranged
Number of other categories trained in various management programs.	New Indicator.	100	587	Target achieved. Some officials were sent to attend training in the FSTDI.
Number of personnel trained on Nurse Initiated Management of ART (w) Treatment and HIV and AIDS.	New Indicator.	700	1 355	Target achieved. There was a need to train more than the target due to facility needs. Expansion of ART sites. The increased in the number of people testing HIV positive resulted in more patients needing to be initiated on treatment.
18.1 Learnerships implemented based on SETA funding.	45	50	79	Target achieved.

SUB PROGRAMME: HEALTH SCIENCE TRAINING (HST)				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Number of personnel undergone in-service training programmes (Continuous Professional Development).	2 503	3 400	3 667	Target achieved.
Number of trained Emergency Care Practitioners.	239	60	54	3 trainees failed, 2 discontinued due to medical incapacity and 1 was suspended for misconduct.
Number of learners trained in ABET	316	300	314	Target achieved.
Number of 18.2 Learnerships Implemented annually	483	100	343	Target achieved. There was higher intake due to the National Project on the training of Data Captures and additional requests by communities for training.
Number of non-health care professionals trained (Community Health Care Workers).	50	100	600	Target achieved. The increased number was due to the needs identified in the Province in line with PHC Re-engineering.
Number of new bursary holders	New Indicator	200	200	Target achieved.

3.1.7. PROGRAMME 7: HEALTH CARE SUPPORT SERVICES (HCSS)

The aim of the programme is to render Health Care Support Services as required by the Department to fulfil its Mandates.

Strategic Objectives:

- Provide appropriate and accessible Orthotic and Prosthetic Services to the Free State community.
- Improve turnaround time of laundry services. (Baseline is 72 hours in 2010/2011).
- Improve accessibility of laundry services. (Number of Decentralized Laundry Services)

SUB PROGRAMME: ORTHOTIC AND PROSTHETIC SERVICES				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Number of users per year.	10 036 users served per year.	10 150	10 381	Target achieved.

SUB PROGRAMME: LAUNDRIES				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
% of Turnaround Time of Laundry Services.	72 hours	Turn-around time improved by 40%.	35% (46.8 hours)	Insufficient quantities of linen in circulation have impact on turnaround times. Budget meant for buying new linen was redirected to other priorities, resulting in approval being granted late to buy linen.
Number of Decentralized Laundry Services	New Indicator.	2	2	Target achieved.

3.1.8. PROGRAMME 8: HEALTH FACILITIES MANAGEMENT (HFM)

The aim of the Programme is to provide adequate Health Facilities and Infrastructure. This Programme is mainly responsible to support all the Health Facilities in the FSDOH Clusters in:

- Planning of infrastructure projects;
- Monitoring and support during the project implementation;
- Assist health institutions with technical advice and support for physical infrastructure needs;
- Advise executive on infrastructure priorities annually.

Strategic Objectives:

- Improve maintenance and upgrading of health facilities.
- Implement hospital revitalization projects.
- Upgrading of clinics and construction of new Buildings.

The official opening of the D.A. Maleho Clinic in Bultfontein by The Hon. Premier, Mr ES Magashule, assisted by Me M Mathibe, the Mayor of Tswelopele Minicipality (right) and Me S Maleho, granddaughter to the late DA Maleho.

SUB PROGRAMME: INFRASTRUCTURE MANAGEMENT				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Number of Health Facilities maintained and upgraded	6 (minor and major maintenance) – cumulative	10 Health Facilities maintained (minor and major maintenance) - cumulative	8	The maintenance projects proceeded only in November 2011 due to the changes in the Procurement Best Practices for Construction guidelines during the course of 2011.
Number of completed Projects on Hospital Revitalization	New Indicator	3	0	Project Cycle for revitalization program takes more than 3 years to complete. Reporting only allowed on completion of structure. Trompsburg and Mantsopa District Hospitals at advanced stages of construction and their completion is anticipated in 2012/13 year.

SUB PROGRAMME: INFRASTRUCTURE MANAGEMENT				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Number of completed Clinics on upgrades and New Buildings	New Indicator	3	2	Target partially achieved.
Equitable share capital programme as percentage of total health expenditure2	R378 million (3%)	None	4%	The indicator includes the equipment purchased for the institutions.
Hospitals funded on revitalization programme	New Indicator	10	7	Target not achieved due to NDOH not having given permission for the construction of the 3 remaining hospitals.
Expenditure on facility maintenance as percentage of total health expenditure2	R17.431 million (0.4%)	R20 million (2.9%)	R8.317 million (0.12%)	Budget was only available from the 3rd Quarter for use.

ANNUAL FINANCIAL STATEMENTS

Table of Contents

Report of the Audit Committee	66
Report of the Accounting Officer	67
Report of the Auditor-General	77
Appropriation Statement	85
Notes to the Appropriation Statement	112
Statement of Financial Performance	115
Statement of Financial Position	117
Statement of Changes in Net Assets	118
Cash Flow Statement	119
Notes to the Annual Financial Statements (including Accounting policies)	120
Disclosures Notes to the Annual Financial Statements	142
Unaudited supplementary schedules: Annexures	159

Free State Department of Health Report of the Audit Committee
We are pleased to present our report for the financial year ended 31 March 2012.

Audit Committee Members and Attendance:

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

Name of Member	Number of Meetings Attended
Mandla Ncube (Chairperson)	04
Dr Motlou Moeti	04
Mr. Megan	0
Mr. Mohlahlo	0

Audit Committee Responsibility
The Audit Committee reports that it has complied with its responsibilities arising from **section 38(1) (a) of the PFMA and Treasury Regulation 3.1** The Audit Committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The effectiveness of internal control
The system of internal control applied by the department over financial risk and risk management is effective, efficient and transparent. In line with the PFMA and the King III Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. Internal Audit did not make sufficient coverage during the year under review for the Audit Committee to comment on the effectiveness of internal control effectiveness, Furthermore, Audit Committee did not have an opportunity to discuss the Auditor General management report prior to finalization, hence the committee cannot comment on the effectiveness of internal control in line with the Auditor General report.

The quality of in year management and monthly/quarterly reports submitted in terms of the PFMA and the Division of Revenue Act
The Audit Committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the Accounting Officer of the Department during the year under review. It was however noted that the Final Annual Financial Statements on review by Internal Auditors; expenditure for payment for capital assets disclosed in the appropriation statement (R545 946 000) and statement of financial performance (R547 249 000) were not the same.

Evaluation of Financial Statements
Due to the unavailability of the draft financial statements, the Audit Committee has not reviewed and discussed the department's annual financial statements to be included in the annual report, with the Auditor-General and the Accounting Officer. The department forwarded draft financial statements after submission to Auditor General however they were not discussed with the committee. The Auditor General Management report was not tabled before the Audit Committee for input prior to finalization of the report.

Internal audit
The Audit Committee is not satisfied that the internal audit function is operating effectively and that it has not addressed the risks pertinent to the department in its audit. The Audit Committee is further concerned about the protracted process of appointing the Chief Audit Executive despite that the interviews were conducted and completed in February 2012.

Auditor-General South Africa
The Audit Committee has discussed the unresolved matters with the Auditor-General South Africa.

Chairperson of the Audit Committee
Date: 14/08/2012

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

1. GENERAL OVERVIEW OF THE DEPARTMENT

The year 2011/2012 saw the FSDOH marching forward with its programme of providing healthcare services in fulfilment of its vision of a "Long and Healthy life for the Free State community". This meant that all the efforts, energy and resources were directed at:

- Increasing the life expectancy;
- Reducing infant, under five and maternal mortality;
- Reducing the burden of HIV, AIDS and TB;
- Strengthening Health systems.

We have achieved the following in the 2011/2012 financial year:

- Appointed critical clinical and clinical support personnel. This has improved our staffing levels closer to what we had in the 2007/08 financial year;
- Performed facility audits on child and maternal health as well as overall quality service delivery. This has unearthed the gaps that need to be addressed in order to improve the health outcomes. We have implemented training programmes in line with this;
- We have increased our headcounts for primary health care and hospital services;
- We have exceeded the number of people counselled and tested for HIV [HCT];
- We have increased the number of qualifying HIV positive pregnant women to be placed on ART treatment;
- We have improved our immunization rates, lowered the rate of mother to child transmission for HIV;
- We have accelerated our infrastructure projects for both clinics and hospitals.

We have also had challenges in the following areas which we hope to address as we proceed with the execution of our mission and vision.

- Declining budgets for the new year;
- Infrastructure cash flow problems;
- Increasing our condom distribution;
- Decreasing the transmission of HIV from mother to child even further;
- Improving our cervical and breast cancer screening;
- Accelerating healthy lifestyle programmes;
- Reducing maternal deaths from preventable causes through the Campaign for the Accelerated Reduction of Maternal Mortality for Africa programme;
- Improving TB case finding and addressing the challenges posed by MDR and XDR TB.

Financial Review

At the end of the financial 2012, the department had spent 98.3% of its budget. The total appropriation for the department was R6 930 347 billion and the under spend was R119 108 million
The 1.7% under spent was largely due to the HIV/AIDS grant, Hospital Revitalisation grant and the Health Infrastructure grant, mainly due to the delays in the awarding of bids. Most programs utilised their allocations in full, while program 1 and 3 overspent on their allocations. The overspend on program 1 was largely on IT, while program 3 overspent on the expansion of EMS fleet. The department also had a cash shortage, which is as a result of unauthorised expenditures which occurred during the 2006/7 financial years.

Revenue

Department received R16,6 million from RAF collected by the contracted service providers on behalf of the Department, R20 million from Lesotho(QII) and R58 million from Other Patients. The department also generated R8.97 million from its PPP agreement. The department received R24 million from the University of Free State emanating from its joint staff establishment agreement. Sales of capital Assets of R4.4 million was generated from auctions during the year. Debt taken on in the previous financial year

impacted on revenue collection.

2. SERVICES RENDERED BY THE DEPARTMENT

2.1. Services rendered

The Department has continued to render comprehensive health services through Primary Health Care and the three levels of hospital services. These services were rendered through 262 clinics, 10 Community Health Centres, 24 District Hospitals, 5 Regional Hospitals, 1 Psychiatric Hospital and 1 Central Hospital.

Amidst the resource constraints, such as the shortage of human resources and inadequate funding, the number of patients seen at the public health facilities during the financial year is outlined hereunder:

LEVEL OF CARE TYPE OF HEALTH FACILITY	DATA ELEMENT	TOTAL No. OF PATIENTS
PHC Clinics & Community Health Centres	Total PHC Headcounts	7,190,425
	PHC Headcounts (under 5 years)	1,090,776
Mobile Clinics	Headcounts	243,843
District Hospitals	Admissions	116,890
	Emergency Total Headcounts	115,479
	OPD Total Headcounts	520,377
	Patient Day Equivalents	583,233
Regional Hospitals	Admissions	94,371
	Emergency Total Headcounts	94,663
	OPD Total Headcounts	403,173
	Patient Day Equivalents	621,160
Specialised Psychiatric Hospital	Admissions	1,728
	OPD Total Headcounts	11,672
	Patient Day Equivalents	21,242
Central Hospital	Admissions	29,097
	OPD Total Headcounts	363,823
	Patient Day Equivalents	282,353

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 which is: H0, H1, H2 and H3.
All Subsidized Patients tariffs maintained as 2008 tariffs.
An adjusted UPFS tariffs for externally funded Patients was implemented on the 1st April 2011, and is adjusted on a yearly basis. The adjustment of the UPFS tariffs is based on a percentage determined by National Department of Health.

2.3. Free Services

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

- Pregnant women and children under the age of 6 years,
- Primary health care,

- Termination of pregnancy,
- Criminal Procedure Act,
- Child Care Act,
- Persons with mental disorders,
- Persons with disabilities,
- Infectious, formidable and/or notifiable diseases, as well as
- Donors and other exempt conditions.

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

2.4 Inventory

Inventory on hand, consists of medicine (R 234 617 791.69) and medical consumables (R56 542 168) and all other inventory items R 42 942 930.00. These amounts are the value on hand in the main stores, calculated on a weighted average costing method.

The Inventory on hand has been calculated from different systems. The Department has a challenge in disclosing inventory figures due to the challenges of unreliable systems in place. Currently there is no system that can reliably manage pharmaceutical and medical consumable inventory. As a result the department cannot disclose the inventory figures in the financial statements

3. CAPACITY CONSTRAINTS

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

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

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

4. UTILISATION OF DONOR FUNDS

4.1 Ireland Aid

The Department of Health and the Ireland Aid signed an agreement on 11 March 2005 to provide the Department of Health with financial assistance for support to Primary Health Care Delivery and Capacity building for HIV/AIDS prevention in the Free State. The first project of R10,226 million from 2001-2006 was completed in March 2006. The Ireland Aid under its Bilateral Aid Programme made a second grant of 760 000 Euros available over a period of two years (2006 and 2007) that commenced in May 2006. No cost extension has been approved ,the latest ending on 31st January 2011. All these funds are channelled through the RDP account at National Treasury and all the interest earned on them will be used solely for the purpose of the programme objectives and activities.

For the financial year under review no expenditure was incurred under the three projects:

Ireland Aid	Progress to date	Budget R'000	Revenue R'000	Expenditure R'000	Variance R'000
	Support to Primary Health Care Delivery and Capacity Building for HIV & AIDS prevention in the Free State Province	0	-	0	0
Total		**0**	**-**	**0**	**0**

4.2. EU PDPHCP Donor Fund

The inception date for implementation of the European Union Partnership for Delivery of Primary Health Care Programme Donor support to the Free State Department of Health was 01st July 2007. The purpose of the programme is to strengthen partnerships of Non-Governmental Organisations with the Department of Health, in extension of primary health care to poor communities. Part of the project was the purchasing of the equipment and six vehicles to strengthen District Health Services. The programme has been implemented successfully in all five districts with staff establishment of twenty officials, presently sixteen. The NGOs were linked with the nearest clinics for support and referrals. The Department of Health funded 48 NGOs over a three year period. The project was completed on the 31st December 2011 with a balance of R513, 433.

EU PDPHCP DONOR FUND	Objectives	Budget R'000	Revenue R'000	Expenditure R'000	Variance R'000
	Developing and strength-ening of the co-operation between Non-Government Organisa-tions and the Department of Health.	15,213	-	(15,213)	0
Total		**15,213**	**-**	**(15,213)**	**0**

4.3. GLOBAL AIDS, TB & MALARIA donor fund

The GLOBAL AIDS, TB & MALARIA project started in January 2006. Phase one of the projects was completed 31 December 2007 and no cost extension were requested for phase two which is ended on the 31st of December 2010. Global Fund strengthens Provincial and District capacity building for prevention, treatment and care. The following objectives were realised through the Global Fund programme. Development and strengthening of the TB and HIV & AIDS data monitoring system at district level in the Free State Province. Paving at Dr J.S.Moroka hospital as part of phase one. Appointment of monitoring officers in phase two, payment of salaries and purchase of office equipment. Capacity building at provincial and district level: 2006 – 2007 = 473 Health care workers were trained, 2007 – 2008 = 291 Health care workers were trained and 2008 - 2009 = 32 Health care workers were trained. Physiotherapy and Occupational therapy equipment purchased for Dr. J.S.Moroka MDR unit. The National Department of Health earnestly requested the province to release an amount totalling R672 546 which was initially spent and has since been surrendered to the Provincial Treasury in the year under review.

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 health care facilities.
The capital of the Medical Trading Account is augmented with an amount of R2 million 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 Recognised Accounting Practice (GRAP) and thus, complies with it. The financial statements are prepared according to historical cost convention.
The net loss of R12,855 million for 2011/12, compares to the net profit of R21,501 million for 2010/11. The operating loss resulted from increased level of buy outs by academic and regional hospitals.
Losses to the amount of R2,153 (2010/2011: R1.815) million were incurred as a result of shortages, breakage and expiry of pharmaceuticals and consumables stock. The stock losses are mainly due to the lack of appropriate inventory computer system that maintains expiry dates and batch controls to identify slow-moving stock items.
The standard norm of shortages, breakage and expiry of pharmaceuticals and consumables stock which is acceptable within the pharmaceuticals industry is 0,5% of the annual turnover. The percentage rate of the Central Medical Trading Account is 0,2% (2010/2011: 0,6%) of the annual turnover, which is within acceptable norm.

6. ORGANISATIONS TO WHOM TRANSFER PAYMENTS HAVE BEEN MADE

Transfer payments are made mainly to non-profit institutions rendering of primary health care services (refer to note 8 and Annexure 1D for more details).

Service level agreements were signed with all the non-profit institutions and accountability arrangements of each entity, and the contract expired on the 30th June 2011 and was extended on a monthly basis. The new contract of non - profit institutions paying stipend is effective from the 01st May 2012 and all other non-profit institutions operate on the strength of the deliverables contract of each entity.

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.

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

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

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

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

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

8. CORPORATE GOVERNANCE ARRANGEMENTS

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

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

The Department has recently completed both its strategic and operational risk registers and has gone through a process of reviewing its Risk Assessment Plan and Top Management proceeds with their commitment to combat corruption to ensure sound and transparent management action plans have been done to mitigate these risks. The departmental risk committee meets on a quarterly basis to monitor progress made on these risks and discuss emerging risks.

The internal audit unit of the department has not been fully effective because of the Chief Audit Executive had not been appointed since August 2011, this then impacting on the duties and functions of the Audit Committee.

The department through its compliance unit has ensured that internal controls are implemented and institutions report on a monthly basis, furthermore, a procedure manual has been compiled and distributed across the department. The department managed to compile its financial statement in the prescribed form and were submitted to the Provincial Treasury and the Auditor General as prescribed.

9. DISCONTINUED ACTIVITIES/ ACTIVITIES TO BE DISCONTINUED

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

10. NEW / PROPOSED ACTIVITIES

The piloting of National Health Insurance at Thabo Mofutsanyana, with a set business plan (fund in form of a grant governed by the DORA) will resume in the new financial year. The business plan, has been compiled and awaits approval by the National Director General, an amount of R16.5 million has been allocated for the pilot.

11. ASSET MANAGEMENT

Progress with regard to capturing assets in the register:

All assets of the FSDOH are purchased through the departmental LOGIS procurement system. All additions automatically appear on the LOGIS asset management module which is the only approved system. An external service provider was appointed in February 2011 to assist with the bar-coding and updating the department's asset register, this process still underway and will be completed in the next financial year.

Establishment of asset management units and teams:

The structure of asset management units at institutions has been approved. The Department faces the financial constraints to fully implement the structure. The local heads of Supply Change Management are appointed in writing at all institutions and offices and take responsibility of asset management in their relevant units.

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

The minimum requirements of the asset register are met. The LOGIS asset register makes provision of the following:

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

12. EVENTS AFTER THE REPORTING DATE

There are no events post the balance sheet date.

13. INFORMATION ON PREDETERMINED OBJECTIVES

Performance information of the Department is based on the planned outputs as outlined in the APP for 2011/12, with targets for the outer years of the MTEF period. It is reviewed quarterly by the Top Management of the Department and relevant interventions are undertaken as needed. The Monitoring and Evaluation unit has been set up to ensure adequate continuous assessment of reporting in order to ensure validity and accuracy of the reports.
Majority of the data reported in the performance information is collected through the District Health Information System (DHIS) and some other transversal systems, e.g. PERSAL and BAS. The financial and non-financial performances of the department are also linked.

The strategic direction of the Department is derived from the following key mandates and documents:

- Government Plan of Action
- National Health 10 Point Plan
- Cabinet Lekgotla
- Provincial Budget Lekgotla.
- Negotiated Service Delivery Agreement for the Health Sector
- State of the Nation Address
- State of the Province Address
- Priorities for the Health Sector, as determined by the National Health Council
- Millennium Development Goals
- Annual Health Plan 2011/12
- The Health and other relevant legislation and policies.

The Department is in the process of strengthening the management and utilization of information through the improved capacity of the Health Information Management unit and ICT. In addition the quality assurance procedures, including data verification and clean-up, are carried out by the provincial team, with the support of the National Department of Health. Owing to the foregoing interventions it is anticipated that the reporting on performance information will continue to improve.

14. PROPAC RESOLUTIONS

PROPAC RESOLUTION	SUBJECT	PROGRESS ON FINDINGS AS AT 31 MARCH 2010
19/2008	Par.2 Capital Assets	The action plan to address the challenges with regard to the capital assets was submitted to Provincial Treasury. **The status on the Asset Management are as follow:** The Department has addressed the backlog of bar-coding assets through the appointment of service provider. The non-permanent sticking bar-codes have been replaced by the permanent sticking aluminium bar-codes. LOGIS asset register will be updated with the new database that has been established in the 2012/13 financial year. **LOGIS system - challenge** LOGIS asset register is not compatible to new technology of verification through scanning systems. The department has procured scanners that will be used for bar-coding and will be utilised to conduct asset verification and reconcile with LOGIS system.

PROPAC RESOLUTION	SUBJECT	PROGRESS ON FINDINGS AS AT 31 MARCH 2010
19/2008	Par 3. Inventory	(a) The Department has been given approval by National Treasury to deviate from section 40 of PFMA and Treasury Regulations 18.2 in respect of inventory disclosure. This due to the challenges that the Department is facing in terms of utilising single system for managing and accounting for pharmaceutical inventory and medical consumables. The department is still awaiting approval to implement RX Solution for management and accounting of inventory. There will be no cost implications in utilising this system as it is a donated system. (b) Inventory policy has been developed and approved. Policies in the Department are continuously evaluated to ensure compliance to applicable legislature
19/2008	Par.4 Receivables for Departmental Revenue	The Department implemented Finance Circular 36 of 2008 with effect from 1 January 2009. The circular states that accounts are to be raised at maximum rates (H3 tariffs) where proof of income is not provided. Patients will still be able to access the hospital's pharmacy for their medication, but on the second visit if they still have not provided their proof of income they will not be able to receive their medication from the hospital pharmacy, they will be given a prescription by the Doctor to go and buy at the private pharmacy. The patients will be classified as full paying patients (H3) where no proof of income can be provided until they can prove their income and will then be reclassified according to documentation provided by them. Such documentation includes affidavits, proof of income, and referral letters from the Department of Defence etc. Posters will be displayed at the hospitals which will explain what documents should accompany the patient for classification purposes. Flyers will also be distributed to patients at clinic level and be attached to referral letters. Unfortunately the Department of Labour (UIF) indicated that they cannot provide employment information as it confidential. An Investigation was conducted with Departments of Health Western Cape and Gauteng by Revenue Management. Similar procedures have been implemented by them. Patient fee structure is national matter and the Department is guided by UPFS. The admission form was adjusted to accommodate all relevant information for proper debt collection. **The department must ensure that by 31st March 2013 figures are correct.** Outstanding patient fees will not reflected correctly due to the fact that patients are classified as H3 when they cannot provide proof of income. In light of the above the Department has in consultation with the Provincial Treasury decided to revisit the mentioned policy because since its implementation the patient debt increased the debt excessively.

PROPAC RESOLUTION	SUBJECT	PROGRESS ON FINDINGS AS AT 31 MARCH 2010
19/2008	Par. 5 Irregular, Fruitless and Wasteful Expenditure	The Department has improved in its controls to identify, register, investigate and condone the irregular, fruitless and wasteful expenditures. Opening balance on Irregular Expenditure in this financial year (2011/2012) is R149 707 674.93 consisting of 52 cases. In the year, 255 cases were registered to the value of R 45 278 000.00. 140 cases have been cleared to the value of R10 469 011.88 of which R8 059 000.00 have been condoned and R2 232 000.00 not meeting the criteria. The closing balance is R184 694 000 consisting of 183 cases. There are instances of possible irregular expenditure to the value of R510 332 000.00 identified by the Auditor General. These cases are under investigation and they will be recorded accordingly. Opening balance for fruitless and wasteful expenditure in this financial year is R 2 401 788.84 consisting of 19 cases. In the year, 18 cases were registered 9 cases have been cleared to the value of R12 647 000.00, of which R8 575.00 has been recovered from the official. The closing balance is R646 000.00 consisting of 11 cases. The 10 old cases to the value of R4 226 168.40 have all been cleared in this financial year. More than 60% of these irregularities are due to the Transversal contracts arranged by the Public works Infrastructure projects, National Treasury and National Department of Health of which the Department has no control upon them
19/2008	Par.7 Compliance with Departmental Controls	Policies & procedures are implemented but due to various shortages in administrative personnel, not always adhered to. The Free State Department of During the planning phase of every audit Internal Audit function evaluate/review the Hospital/Institution internal controls to determine if it is adequate, effective and also review the quality of performance. If any areas of concern arise from this phase it is either directly taken up in the audit report or tested during the execution of the audit. Quarterly reports are given through to the Audit Committee on audits performed and the compliance of the auditees. It will be communicated to the Audit Committee that the Department needs to provide Provincial Treasury on an overall opinion on all internal control matters that needs to be co-agreed by the Committee and with their assistance the Department will in future provide the information as required.
33/2008	Staff appointed in acting capacity	In Supply Chain Management, the department managed to fill most of the vacancies at management level; it is only attrition posts that are still vacant.

PROPAC RESOLUTION	SUBJECT	PROGRESS ON FINDINGS AS AT 31 MARCH 2010
34/2008	Policies issued in lieu of sound Financial Management	Various policies regarding sound financial management are continuously adopted in the Free State Department of Health. A management accountant forum meets on a regular basis to evaluate implementation of this. In addition to this executive meetings are held on a monthly basis to assess financial performance. The department updates financial internal control checklists on an annual basis after the audit of the financial year and this was benchmarked with Provincial Treasury. All policies in place are continuously submitted to Provincial Treasury. This includes delegations etc. Copies of the Financial Delegations, Health Finance Circular no.12 of 2011, Financial Directives, Health Finance Circular no.11 of 2011, Internal Control Checklist, Health Finance Circular no.25 of 2011, Supply Chain Management Delegations, Health Supply Circular no.16 of 2011, Supply Chain Management Directives, Supply Chain Circular no.1 of 2008 and Human Resource Management Delegations, Human Resource Management Circular no.104 of 2008 was submitted to Provincial Treasury as well as the Department of the Premier. With regard to the misclassifications between Logis and BAS items, more intensive investigations started in this financial year.
35/2008	Internal Audit Unit and Audit Committees	The Internal Audit Unit was established in 2002. The Unit is functional and report directly to the Head of Department. The Audit Committee was established and is functional. The last committee meeting was held on 27 March 2012, the next meeting is planned in 30 May 2012. During the Audit Committee meeting of 27 March 2012 the annual coverage and three year rolling plan were submitted and but not approved by the Audit Committee.

14. PRIOR MODIFICATION TO AUDIT REPORT

In the year 2010/11 the department received a qualified audit opinion, with three major issues i.e. Capital Assets, Receivables for Departmental Revenue and Provision for Potential irrecoverable debtors.
The department appointed a service provider to assist in the correction of the asset register and the project is due to end in December 2013. The policy for debtors for provisioning was revised so as to recognise the different classes of patient debtors that the department services. Plans are underway to store patient files electronically, to ensure easy access to patient files and avoid multiple patient files.

Approval
The annual financial statement set out on pages 85 to 170 have been approved by the Accounting Officer.

DR KABANE
ACCOUNTING OFFICER: HEALTH
Date: 31st July 2012

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

Introduction

1. I have audited the financial statements of the Department of Health set out on pages 85 to 170, which comprise the appropriation statement, the statement of financial position as at 31 March 2012, the statement of financial performance, statement of changes in net assets, the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation of the financial statements in accordance with The Departmental financial reporting framework prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and Division of Revenue Act of South Africa, 2012 (Act No. 6 of 2011) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the General Notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for qualified opinion

Movable tangible capital assets

6. The department did not have adequate systems in place to account for all assets in its asset register. This resulted in movable tangible capital assets being understated by R27 684 589. In addition, sufficient appropriate audit evidence was not available to support the cost prices of assets of R217 786 427 (2011: R525 245 965) included in the asset register, as well as for the adjustment of R520 822 502 to the opening balance and a difference of R23 100 139 between the closing balance as per asset register and the financial statements. Consequently, I was unable to determine whether movable tangible capital assets of R570 210 000 disclosed in note 32 and R120 512 000 disclosed in note 32.4 to the financial statements are accounted for at the correct values.

Receivable for departmental revenue

7. The department did not have adequate systems in place to ensure the accurate billing of patients, which resulted in the amount recognised disclosed in note 25 being overstated by R210 363 716 (2011 understated by R142 294 908). The existence of receivables of R187 787 528 (2011: R242 294 316) could also not be practicably determined and sufficient appropriate audit evidence was not available to confirm that all services rendered were billed against patient accounts. The department's system did not allow for the performance of alternative audit procedures. Consequently, I was unable to determine whether any further adjustments were necessary to receivables for departmental revenue of R672 520 000 (2011: R506 924 000) disclosed in note 25 to the financial statements.

Provisions

8. I was unable to obtain sufficient appropriate audit evidence to determine the completeness, accuracy and existence of the provision for potential irrecoverable debt: other debtors of R355 358 000 (2011: R352 915 000) as disclosed in note 31 to the financial statements. The department's system did not allow for the performance of alternative procedures due to the misstatements and limitations identified in receivable for departmental revenue.

Fruitless and wasteful expenditure

9. The department did not include particulars of all the fruitless and wasteful expenditure in the notes to the financial statements, as required by section 40(3) (a) (i) of the PFMA. The department paid VAT to suppliers, which were not registered, and paid interest, resulting in fruitless and wasteful expenditure being understated by R5 218 249 (2011: R17 742 518). The department did not have adequate controls in place to identify and record all instances of fruitless and wasteful expenditure incurred during the year under review. Consequently, I was unable to determine whether any further adjustments were necessary to the amount disclosed.

Goods and services expenditure

10. The department did not correctly classify payments for goods and services in terms of the Departmental financial reporting framework. Consequently, various line items included in note 5 to the financial statements are misstated, of which the most significant items are catering, contractors, business and advisory services, fleet services, operating leases, travel and subsistence and training and staff development.

Expenditure for capital assets

11. The department did not correctly classify payments made for capital assets in terms of the Departmental financial reporting framework. Consequently, expenditure for capital assets of R547 249 000 included in note 9 is understated by R57 995 369 and goods and services of R1 732 350 000 included in note 5 are overstated by R57 995 369.

Qualified opinion

12. In my opinion, except for the effects of the matters described in the Basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Department of Health as at 31 March 2012 and its financial performance and cash flows for the year then ended, in accordance with the Departmental financial reporting framework prescribed by the National Treasury and the requirements of the PFMA and DoRA.

Emphasis of matters

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

Material losses and impairments

14. As disclosed in note 7 to the financial statements, material losses of R31 822 000 were incurred as a result of expired medicine written off, vehicle accidents, criminal conduct and stock shortages.

15. The department had receivables for patient fees totalling R342 436 000 and staff debt totalling R12 922 000, which had been outstanding for more than 150 days and three years, respectively. The recoverability of these amounts is doubtful.

Material under-spending of the budget

16. As disclosed in the appropriation statement, the department has materially underspent the budget on Programme 8: Health Facilities Management by R93 509 000 due to cash constraints. As a consequence, the department has not achieved its objectives of improving maintenance and upgrading of health facilities, implementation of hospital revitalisation projects and the upgrading of clinics and the construction of new buildings.

Accruals

17. Accruals which exceed the payment term of 30 days, contrary to Treasury Regulation 8.2.3, amount to R137 015 000. This amount, in turn, exceeds the voted funds to be surrendered of R117 805 000 as per the statement of financial performance by R19 210 000. The amount of R19 210 000 would therefore have constituted unauthorised expenditure had the amounts due been paid in a timely manner.

Irregular expenditure

18. The full extent of the irregularities of R510 332 000, as disclosed in note 26.5 to the financial statements, is still in the process of being determined.

Exemption from financial reporting framework

19. As disclosed in note 24 to the financial statements: Lease commitments, the National Treasury has allowed the province to continue to account for and disclose the payments made to the Free State Government Motor Transport in the same manner as in the 2010-11 financial year. The exemption allows the department to classify the arrangement as an operating lease in note 24, and also to omit the required disclosure of the lease payments in note 32: movable tangible capital assets.

Additional matter

20. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Financial reporting framework

21. The financial reporting framework prescribed by the National Treasury and applied by the department is a compliance framework. The wording of my opinion on a compliance framework should reflect that the financial statements have been prepared in accordance with this framework and not that they "present fairly". Section 20(2)(a) of the PAA, however, requires me to express an opinion on the fair presentation of the financial statements. The wording of my opinion therefore meets this requirement.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

22. In accordance with the PAA and the General Notice issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

23. I performed procedures to obtain evidence about the usefulness and reliability of the information in the Performance per Budget Programme as set out on pages 10 to 63 of the annual report.

24. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the National Treasury Framework for managing programme performance information.

    The reliability of the information in respect of the selected programmes is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

25. The material findings are as follows:

Reliability of information

Accuracy

26. The National Treasury Framework for managing programme performance information (FMPPI) requires that the indicator be accurate enough for its intended use and respond to changes in the level of performance. A total of 37% of the actual reported indicators relevant to programmes 2, 4 and 5 were not accurate and complete when compared to source information. This was due to a lack of formal uniform control/admission registers being maintained at the hospitals and the clinics and a lack of review by the relevant line managers.

Additional matter

27. I draw attention to the matter below. This matter does not have an impact on the predetermined objectives audit findings reported above.

Achievement of planned targets

28. Of the total number of planned targets, only 134 were achieved during the year under review. This represents 31% of the total planned targets that were not achieved during the year under review.

Compliance with laws and regulations

29. I performed procedures to obtain evidence that the entity had complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations, as set out in the General Notice issued in terms of the PAA, are as follows:

Budgets

30. The budget for compensation of employees was exceeded, in contravention of Treasury Regulation (TR) 8.3.2. Through inspection of the appropriation statement it was noted that the compensation of employees budget of R4 337 202 000 was exceeded by R35 131 000 (actual expenditure is R4 372 333 000).

31. The accounting officer did not always ensure that all expenditure was made in accordance with the purpose of the department's budget, as required by section 39(1)(a) of the PFMA.

32. The accounting officer did not take effective and appropriate steps to prevent overspending of the budget of main divisions within the vote, as required by section 39(2)(a) of the PFMA.

Annual financial statements, performance and annual report

33. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records as required by section 40(1)(a) and (b) of the PFMA. Material misstatements identified by the auditors in the submitted financial statements were subsequently corrected, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.

Audit committees

34. The audit committee did not review the institution's compliance with legal and regulatory provisions, as required by TR 3.1.10(f).

35. The audit committee did not review the adequacy, reliability and accuracy of the financial information provided to management and other users, as required by TR 3.1.10(d).

36. The audit committee did not review the effectiveness of the internal audit function and the coordination between the internal audit function and the external auditors as required by TR 3.1.10(b) and (g).

37. The audit committee did not consist of at least three members for the entire financial year under review as required by section 77(a) of the PFMA and TR 3.1.6.

Internal audit

38. The internal audit function did not submit reports, detailing the performance against the annual internal audit plan, to the audit committee every quarter, as required by TR 3.2.7(d).

39. The internal audit function did not assess the operational procedure and monitoring mechanisms over all transfers made and received, including transfers in terms of the annual DoRA, as required by TR 3.2.8.

40. The internal audit function did not evaluate the effectiveness and efficiency of controls and did not make recommendations for their enhancement and improvement, as required by TR 3.2.11(a).

41. The internal audit function did not evaluate the reliability and integrity of financial and operational information, as required by TR 3.2.11(b).

42. The internal audit function did not evaluate compliance with laws and regulations, as required by TR 3.2.11(e).

Procurement and contract management

43. Some goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by TR 16A6.1.

44. Some goods and services with a transaction value above R500 000 were procured without inviting competitive bids, as required by TR 16A6.1. Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of TR 16A6.4.

45. Some contracts and quotations were awarded to bidders who had not submitted a declaration as to whether they were employed by the state or connected to any person employed by the state, which is prescribed in order to comply with TR 16A8.3.

46. Some employees of the department performed remunerative work outside their employment in the department without written permission from the relevant authority as required by section 30 of the Public Service Act (PSA).

47. A proper evaluation of major capital projects was not done in some instances prior to a final decision on the project, as per the requirements of section 38(1)(a) of the PFMA.

Human resource management and compensation

48. The accounting officer did not always ensure that all leave taken by employees was recorded accurately and in full as required by Public Service Regulation (PSR) 1/V/F (b).

49. A human resource plan was not in place as required by PSR 1/III/B.2(d).

50. Some people were appointed who do not meet the requirements for the job without approval of the deviation, in contravention of section 11(2) of the PSA and PSR 1/VII/D.5-8.

51. Some appointments were made in posts that had not been advertised, in contravention of PSR 1/VII/C.2.

52. Some appointments were made without the recommendation of a selection committee, in contravention of PSR 1/VII/D1-4.

53. Employees were appointed without following a proper process to verify the claims made in their applications, in contravention of PSR 1/VII/D.8.

54. Not all senior managers had signed performance agreements for the year under review as required by PSR 4/III/B.1.

55. Not all funded vacant posts were filled within 12 months as required by PSR 1/VII/C.1A.2.

56. An organisational structure based on the department's strategic plan was not in place as required by PSR 1/III/B.2(a).

Expenditure management

57. The accounting officer did not always take effective steps to prevent unauthorised, irregular and fruitless and wasteful expenditure, as required by section 38(1)(c)(ii) of the PFMA and TR 9.1.1.

58. Effective and appropriate disciplinary steps were not taken against officials who made and/or permitted unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure, as required by section 38(1)(h)(iii) of the PFMA and TR 9.1.3.

59. Contractual obligations and money owed by the department were not always settled within 30 days or an agreed period, as required by section 38(1)(f) of the PFMA and TR 8.2.3.

60. The accounting officer did not ensure that effective internal controls were in place for payment approval and processing, as required by TR 8.1.1.

Transfer of funds and conditional grants

61. The accounting officer did not always maintain appropriate measures to ensure that transfers and subsidies to entities were applied for their intended purposes, as required by TR 8.4.1.

62. The Health Infrastructure, Health Professional and Training and National Tertiary Services Grants were not always utilised for the purposes stipulated in schedule 4 of the DoRA and in accordance with the framework published for the allocation, as required by sections 11(a) and 15(1) of the DoRA.

63. An evaluation of the performance of the programmes funded by the Health Infrastructure Grant was not submitted to national Department of Health within two months after the end of the financial year, as required by section 11(6)(a) of the DoRA.

64. Quarterly performance reports on the Health Infrastructure Grant were not submitted to the provincial and National Treasury, as required by section 11(4)(b) of the DoRA.

65. The Forensic Pathology, HIV & Aids and Hospital Revitalisation Grants were not always utilised for the purposes stipulated in schedule 5 of the DoRA and in accordance with the framework published for the allocation, as required by sections 12(1) and 15(1) of the DoRA.

66. The transfer of a portion of the Health Infrastructure Grant to the Free State Development Corporation for the performance of the function was not approved in the budget and the grant framework or approved by National Treasury, in contravention of section 15(2) of the DoRA.

67. Quarterly performance reports on the Hospital Revitalisation Grant were not submitted to the national Department of Health within 30 days after the end of each quarter, as required by section 12(2)(c) of the DoRA.

68. The performance of the department in respect of the programmes funded by the Hospital Revitalisation Grant was not reported to the national Department of Health within two months after the end of the financial year, as required by section 12(6) of the DoRA.

69. Unspent conditional grants at year-end were retained without the approval of National Treasury, in contravention of section 20(1), 20(3) and 20(7) of the DoRA, due to cash shortages at the department.

Revenue management

70. The accounting officer did not ensure that appropriate processes were developed and implemented to provide for the identification, recording, reconciliation and safeguarding of information about revenue, as required by TR 7.2.1.

71. Interest was not charged on debts as required by TR 11.5.1.

Asset management

72. Proper control systems to safeguard and maintain assets were not implemented, as required by section 38(1)(d) of the PFMA and TR 10.1.1(a).

Financial misconduct

73. Investigations into allegations of financial misconduct against officials were not instituted within 30 days of discovery thereof, as required by TR 4.1.2.

74. The outcomes of disciplinary hearings were not reported to the Department of Public Services and Administration immediately after the hearings, as required by TR 4.3.1.

75. The National Treasury and Department of Public Services and Administration were not informed of the outcomes of the criminal proceedings instituted against the officials, as required by TR 4.3.3.

Management of medical waste

76. Expired medicines were not properly managed and disposed of, in contravention of Good Pharmacy Practice (GPP) as per South African Pharmaceutical Society which is obligatory in terms of section 35A of the Pharmacy Act, 1974 (Act No. 53 of 1974) as amended.

77. The department's medical waste disposal sites did not adhere to the prescribed requirements, in contravention of part 2, section 16(1) of the National Environmental Management Waste Act, 2008 (Act No. 59 of 2008) (NEMWA).

78. The department did not adhere to the general requirements for the transportation of medical waste, in contravention of part 5, section 25 of the NEMWA.

79. The department did not adhere to the general requirements for the disposal of medical waste, in contravention of part 6, section 26(1) of the NEMWA.

80. The department did not adhere to the general requirements for the storage of medical waste, in contravention of part 5, section 21 of the NEMWA.

Hospital revitalisation grant

81. Roll-overs of Hospital Revitalisation Grant funds to the value of R133 791 578 were not used for the purposes intended, in contravention of TR 6.4.3.

82. Quarterly performance reports were not submitted to the National Council of Provinces, as required by the Division of Revenue Grant Framework, Gazette No. 34280.

Health infrastructure

83. The department did not always convene Infrastructure Projects Progress Review Committees to oversee, monitor and report on the full physical and financial development cycle of all health infrastructure projects, as required by the Division of Revenue Grant Framework, Gazette No. 34280.

84. Contrary to section 38(1) (b) of the PFMA, the resources of the department were not always utilised effectively, efficiently, economically and transparently. Various instances of poor quality of construction work performed, damages and facilities that were not equipped or not utilised, were identified.

85. Sufficient appropriate audit evidence could not be obtained that the department had incurred additional costs to correct substandard work.

Internal control

86. I considered internal control relevant to my audit of the financial statements, Performance per Budget Programme and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the basis for qualified opinion, the findings on the Performance per Budget Programme and the findings on compliance with laws and regulations included in this report.

Leadership

87. The department does not continuously exercise oversight responsibility regarding financial and performance reporting and related internal controls due to the accounting officer not directing and reviewing the development and performance of the system of internal control.

88. The department did not always monitor the implementation of action plans to address internal control deficiencies. Management also does not assign responsibility and accountability for control activities due to the lack of effective mechanisms to communicate and hold individuals accountable for performance of internal control responsibilities.

Financial and performance management

89. The department does not always comply with applicable laws and regulations. In most instances there are no formal processes in place to monitor compliance with legislation, which resulted in the number of reported non-compliance issues.

90. The department does not implement proper record keeping to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting mainly due to the fact that responsible personnel do not perform control activities in a timely manner as defined by policies and procedures.

91. The department does not prepare accurate and complete financial and performance reports that are supported and evidenced by reliable information because the information systems do not produce information that is timely, current, accurate, complete, accessible, protected and verifiable and retained. Information is also not reviewed to assess its relevance in supporting the internal control components.

92. Processes are not in place to communicate relevant and timely information to external parties.

Governance

93. On-going monitoring and supervision were not undertaken to enable an assessment of the effectiveness of internal control over financial and performance reporting due to the Chief Audit Executive position in the internal audit department not being filled.

94. The audit committee did not promote accountability and service delivery by evaluating and monitoring responses to risks and providing oversight of the effectiveness of the internal control environment, including financial and performance reporting and compliance with laws and regulations due to the ineffective functioning of the internal audit unit.

OTHER REPORTS

Performance audits

95. A performance audit was conducted on the readiness of government to report on its performance. The focus of the audit was on how government institutions are guided and assisted to report on their performance, as well as the systems and processes that they have put in place. The audit has been completed but the report has not been issued.

Auditor General

Bloemfontein

31 July 2012

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Appropriation per Programme									
	2011/12							2010/11	
APPROPRIATION STATEMENT	Adjusted Appro-priation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration	**258,163**	**-**	**850**	**259,013**	**273,092**	**(14,079)**		**226,464**	**215,546**
Current payment	253,280	-	-	253,280	262,102	(8,822)	103.5%	204,771	194,353
Transfers and subsidies	276	-	850	1,126	1,126	-	100.0%	3,074	2,575
Payment for capital assets	4,607	-	-	4,607	3,565	1,042	77.4%	10,108	10,108
Payment for financial assets	-	-	-	-	6,299	(6,299)		8,511	8,510
2. District Health Services	**2,689,210**	**-**	**15,762**	**2,704,972**	**2,640,287**	**64,685**		**2,431,456**	**2,368,793**
Current payment	2,561,578	(29,035)	13,686	2,546,229	2,530,828	15,401	99.4%	2,309,635	2,285,310
Transfers and subsidies	71,161	-	2,076	73,237	58,671	14,566	80.1%	57,988	53,844
Payment for capital assets	56,471	29,035	-	85,506	40,359	45,147	47.2%	60,554	26,361
Payment for financial assets	-	-	-	-	10,429	(10,429)		3,279	3,278
3. Emergency Medical Services	**402,850**	**-**	**15,488**	**418,338**	**433,868**	**(15,530)**		**361,106**	**331,704**
Current payment	376,509	-	14,436	390,945	391,543	(598)	100.2%	303,366	303,366
Transfers and subsidies	22	-	1052	1,074	1,074	-	100.0%	31	31

Appropriation per Programme									
	2011/12							2010/11	
APPROPRIATION STATEMENT	Adjusted Appro-priation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payment for capital assets	26,319	-	-	26,319	31,735	(5,416)	120.6%	51,989	22,587
Payment for financial assets	-	-	-	-	9,516	(9,516)		5,720	5,720
4. Provincial Hospital Services	**1,651,852**	**-**	**(8,287)**	**1,643,565**	**1,630,938**	**12,627**		**1,495,330**	**1,485,347**
Current payment	1,619,351	(429)	(11,673)	1,607,249	1,598,288	8,961	99.4%	1,462,676	1,458,145
Transfers and subsidies	4,937	-	3,386	8,323	8,323	-	100.0%	5,325	5,113
Payment for capital assets	27,564	429	-	27,993	19,628	8,365	70.1%	25,823	20,583
Payment for financial assets	-	-	-	-	4,699	(4,699)		1,506	1,506
5. Central Hospital Services	**1,126,247**	**-**	**(10,432)**	**1,115,815**	**1,112,561**	**3,254**		**1,076,567**	**1,075,995**
Current payment	1,103,660	-	(10,906)	1,092,754	1,096,087	(3,333)	100.3%	1,000,237	999,665
Transfers and subsidies	2,537	-	9	2,546	1,902	644	74.7%	3,933	3,933
Payment for capital assets	20,000	-	465	20,465	14,018	6,447	68.5%	72,241	72,241
Payment for financial assets	50	-	-	50	554	(504)	1108.0%	156	156

Appropriation per Programme									
	2011/12							2010/11	
APPROPRIATION STATEMENT	Adjusted Appro-priation	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. Health Science and Training	**155,564**	**-**	**(4,276)**	**151,288**	**150,233**	**1,055**		**139,676**	**137,718**
Current payment	127,010	-	(5,331)	121,679	125,240	(3,561)	102.9%	109,611	109,081
Transfers and subsidies	20,034	-	1,055	21,089	21,089	-	100.0%	20,312	20,312
Payment for capital assets	8,520	-	-	8,520	3,770	4,750	44.2%	9,559	8,131
Payment for financial assets	-	-	-	-	134	(134)		194	194
7. Health Care Support Services	**113,819**	**-**	**(9,105)**	**104,714**	**97,355**	**7,359**		**87,149**	**76,676**
Current payment	103,983	-	(9,240)	94,743	91,946	2,797	97.0%	83,210	74,069
Transfers and subsidies	2,130	-	135	2,265	2,265	-	100.0%	2,258	2,258
Payment for capital assets	7,706	-	-	7,706	2,954	4,752	38.3%	1,661	329
Payment for financial assets	-	-	-	-	190	(190)		20	20
8. Health Facilities Management	**566,414**	**-**	**-**	**566,414**	**472,905**	**93,509**		**521,426**	**350,242**
Current payment	11,979	-	-	11,979	8,465	3,514	70.7%	67,566	73,386

Vote 5 – FS: HEALTH
APPROPRIATION STATEMENT for the year ended 31 March 2012

Appropriation per Programme									
	2011/12							2010/11	
APPROPRIATION STATEMENT	Adjusted Appro-priation	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
Transfers and subsidies	-	-	-	-	34,000	(34,000)		-	5,000
Payment for capital assets	554,435	-	-	554,435	430,440	123,995	77.6%	453,860	271,856
Payment for financial assets	-	-	-	-	-	-		-	
9. Internal Charges	**(33,772)**			**(33,772)**		**(33,772)**		**(31,861)**	**(22,842)**
Current payment	(33,772)	-	-	(33,772)	-	(33,772)		(31,861)	(22,842)
TOTAL	**6,930,347**	**-**	**-**	**6,930,347**	**6,811,239**	**119,108**	**98.3%**	**6,307,313**	**6,019,179**

Appropration per Programme									
				2011/12				2010/11	
				Final Appropriation	Actual Expenditure			Final Appropriation	Actual Expenditure
TOTAL (brought forward)				6,930,347	6,811,239			6,307,313	6,019,179
Reconciliation with statement of financial performance									
ADD									
Departmental receipts				22,042				15,608	
Aid assistance				15,213				32,631	
Actual amounts per statement of financial performance (total revenue)				**6,967,602**				**6,355,552**	
ADD									
Aid assistance					15,213				9,043
Prior year unauthorised expenditure approved without funding									15,936
Actual amounts per statement of financial performance (total expenditure)					**6,826,452**				**6,044,158**

Appropriation per Economic Classification									
	2011/12							2010/11	
	Adjusted Appropriation	Shifting of Funds	Vire-ment	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	4,337,445	-	(243)	4,337,202	4,372,333	(35,131)	100.8%	3,787,948	3,772,860
Goods and services	1,783,480	(28,695)	(8,785)	1,746,000	1,732,350	13,650	99.2%	1,718,537	1,698,993
Interest and rent on land	2,653	(769)	-	1,884	338	1,546	17.9%	2,726	2,679
Transfers and subsidies									
Provinces and municipalities	-	-	1,690	1,690	35,672	(33,982)	2110.8%	-	5,000
Departmental agencies and accounts	2,000	-	-	2,000	2,000	-	100%	2,000	2,000
Universities and technikons	-	-	-	-	-	-	-	-	-
Public corporation and private enterprises	-	-	3,880	3,880	4,974	(1,094)	128.2%	1,747	1,747
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	70,581	-	157	70,738	53,243	17,495	75.3%	54,447	50,087
Households	28,516	-	2,836	31,352	32,561	(1,209)	103.9%	34,727	34,232
Payments for capital assets									
Buildings and other fixed structures	523,776	18,545	-	542,321	403,525	138,796	74.4%	397,599	237,655
Machinery and equipment	181,846	10,919	465	193,230	142,421	50,809	73.7%	288,196	194,542

Appropriation per Economic Classification									
	2011/12							2010/11	
	Adjusted Appropria-tion	Shifting of Funds	Vire-ment	Final Appropria-tion	Actual Expendi-ture	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
Payments for financial assets	50	-	-	50	31,822	(31,772)	63644.0%	19,386	19,384
Total	**6,930,347**	**-**	**-**	**6,930,347**	**6,811,239**	**119,108**	**98,3%**	**6,307,313**	**6,019,179**

Detail per sub-programme per economic classification									
	2011/12							2010/11	
Detail per sub-programme Programme 1 - Administration	Adjusted Appropria-tion	Shifting of Funds	Virement	Final Appropriation	Actual Expendi-ture	Variance	Expenditure as % of final appropriation	Final Appropria-tion	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Office of the MEC									
Current payment	8,536	(140)	-	8,396	6,687	1,709	79.6%	6,088	5,679
Transfers and subsidies	-	-	66	66	66	-	100.0%	-	-
Payment for capital assets	153	-	-	-	100	53	65.4%	35	35
Payment for financial assets				-		-			
1.2 Management									
Current payment	244,744	140	-	244,884	255,415	(10,531)	104.3%	198,683	188,674
Transfers and subsidies	276	-	784	1,060	1,060	-	100.0%	3,074	2,575
Payment for capital assets	4,454	-	-	4,454	3,465	989	77.8%	10,073	10,073
Payment for financial assets	-	-	-	-	6,299	(6,299)		8,511	8,510
Total	**258,163**	**-**	**850**	**259,013**	**273,092**	**(14,079)**	**105.4%**	**226,464**	**215,546**

Vote 5 – FS: HEALTH
APPROPRIATION STATEMENT for the year ended 31 March 2012

Appropriation per Economic Classification									
	2011/12							2010/11	
Programme 1 Per Economic Classification	Adjusted Appropria-tion	Shifting of Funds	Virement	Final Appropriation	Actual Expendi-ture	Variance	Expenditure as % of final appropriation	Final Appropria-tion	Actual expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	169,167	-	-	169,167	163,581	5,586	96.7%	150,891	144,744
Goods and services	83,352	649	-	84,001	98,510	(14,509)	117.3%	53,094	48,823
Interest and rent on land	761	(649)	-	112	11	101	9.8%	786	786
Transfers and subsidies									
Provinces and municipalities	-	-	631	631	631	-	100.0%	-	-
Public corporations and pri-vate enterprises	-	-	70	70	70	-	100.0%	1,747	1,747
Non-profit institutions	29	-	149	178	17	161	9.6.%	27	23
Households	247	-	-	247	408	(161)	165.2%	1,300	805
Payments for capital assets									
Machinery and equipment	4,607	-	-	4,607	3,565	1,042	77.4%	10,108	10,108
Payments for financial assets	-	-	-	-	6,299	(6,299)	-	8,511	8,510
Total	**258,163**	**-**	**850**	**259,013**	**273,092**	**(14,079)**	**105.4%**	**226,464**	**215,546**

Detail per sub-programme per economic classification									
	2011/12							2010/11	
Detail per sub-programme Programme 2 – District Health Services	Adjusted Appropria-tion	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropria-tion	Actual expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 District Management									
Current payment	80,838	(7,235)	-	73,603	63,058	10,545	85.7%	67,349	65,572
Transfers and subsidies	145	-	-	145	171	(26)	117.9%	162	133
Payment for capital assets	3,609	6,159	-	9,768	3,026	6,742	31.0%	3,073	3,014
Payment for financial assets	-	-	-	-	9,303	(9,303)	-	1,380	1,380
2.2 Community Health Clinics									
Current payment	702,962	11,948	-	714,910	668,823	46,087	93.6%	608,422	539,612
Transfers and subsidies	555	-	-	555	1,303	(748)	234.8%	1,661	1,661
Payment for capital assets	6,845	(978)	-	5,867	4,048	1,819	69.0%	2,400	79
Payment for financial assets	-	-	-	-	44	(44)	-	-	-
2.3 Community Health Centre									
Current payment	109,288	(334)	-	108,954	62,535	46,419	57.4%	71,239	54,715
Transfers and subsidies	200	-	-	200	87	113	43.5%	250	250
Payment for capital assets	403	(88)	-	315	784	(469)	248.9%	322	345
Payment for financial assets	-	-	-	-	-	-	-	-	-

Detail per sub-programme per economic classification									
	2011/12							2010/11	
Detail per sub-programme Programme 2 – District Health Services	Adjusted Appropria-tion	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropria-tion	Actual expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.4 Community Based Services									
Current payment	200,139	(3,219)	-	196,920	327,554	(130,634)	166.3%	264,982	363,957
Transfers and subsidies	16,007	-	-	16,007	11,845	4,162	74.0%	3,915	2,932
Payment for capital assets	6,281	530	-	6,811	6,466	345	94.9%	6,603	3,173
Payment for financial assets	-	-	-	-	-	-	-	-	-
2.5 HIV/AIDS									
Current payment	509,603	(22,921)	-	486,682	453,327	33,355	93,1%	404,208	371,042
Transfers and subsidies	53,005	-	-	53,005	40,160	12,845	75.8%	49,757	46,561
Payment for capital assets	20,317	22,132	-	42,449	9,105	33,344	21.4%	29,356	7,309
Payment for financial assets	-	-	-	-	-	-	-	-	-
2.6 Nutrition									
Current payment	9,971	244	-	10,215	9,806	409	96.0%	12,700	10,049
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	60	-	-	60	24	36	40.0%	113	13
Payment for financial assets	-	-	-	-	-	-	-	-	-
2.7 Coroner Services									
Current payment	27,764	-	-	27,764	29,975	(2,211)	108.0%	28,010	27,520
Transfers and subsidies	-	-	-	-	75	(75)	-	-	64
Payment for capital assets	11,687	-	-	11,687	8,515	3,172	72.9%	9,000	3,265
Payment for financial assets	-	-	-	-	124	(124)	-	208	208

Detail per sub-programme per economic classification									
	2011/12							2010/11	
Detail per sub-programme Programme 2 – District Health Services	Adjusted Appropria-tion	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropria-tion	Actual expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.8 District Hospitals									
Current payment	921,013	(7,518)	13,686	927,181	915,750	11,431	98.8%	852,725	852,843
Transfers and subsidies	1,249	-	2,076	3,325	5,030	(1,705)	151.3%	2,243	2,243
Payment for capital assets	7,269	1,280	-	8,549	8,391	158	98.2%	9,687	9,163
Payment for financial assets	-	-	-	-	958	(958)	-	1,691	1,690
Total	**2,689,210**	**-**	**15,762**	**2,704,972**	**2,640,287**	**64,685**	**97.6%**	**2,431,456**	**2,368,793**

Appropriation per Economic Classification									
	2011/12							2010/11	
Programme 2 per Economic Classification	Adjusted Appropria-tion	Shifting of Funds	Virement	Final Appropriation	Actual Expendi-ture	Variance	Expenditure as % of final appropriation	Final Appropria-tion	Actual expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	1,703,294	-	13,686	1,716,980	1,741,018	(24,038)	101.4%	1,516,160	1,516,160
Goods and services	858,147	(29,060)	-	829,087	790,295	38,792	95.3%	793,406	769,081
Interest and rent on land	137	25	-	162	38	124	23.5%	69	69
Transfers and subsidies to:									
Provinces and municipalities	-	-	-	-	122	(122)	-	-	-
Public corporations and private enterprises	-	-	2,076	2,076	2,528	(452)	121.8%	-	-
Non-profit institutions	68,441	-	-	68,441	51,630	16,811	75.4%	53,045	48,901

Vote 5 – FS: HEALTH
APPROPRIATION STATEMENT for the year ended 31 March 2012

Appropriation per Economic Classification									
	2011/12							2010/11	
Programme 2 per Economic Classification	Adjusted Appropria-tion	Shifting of Funds	Virement	Final Appropriation	Actual Expendi-ture	Variance	Expenditure as % of final appropriation	Final Appropria-tion	Actual expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Households	2,720	-	-	2,720	4,391	(1,671)	161.4%	4,943	4,943
Payment for capital assets									
Buildings and other fixed structures	19,277	20,249	-	39,526	11,787	27,739	29.8%	23,640	4,343
Machinery and equipment	37,194	8,786	-	45,980	28,048	17,932	61.0%	36,914	22,018
Payments for financial as-sets	-	-	-	-	10,430	(10,430)	-	3,279	3,278
Total	**2,689,210**	**-**	**15,762**	**2,704,972**	**2,640,287**	**64,685**	**97.6%**	**2,431,456**	**2,368,793**

Detail per sub-programme per economic classification									
	2011/12							2010/11	
Detail per sub-programme Programme 3 – Emergency Medical Services	Adjusted Appropria-tion	Shifting of Funds	Virement	Final Appropriation	Actual Expendi-ture	Variance	Expenditure as % of final appropriation	Final Appropria-tion	Actual expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 Emergency Transport									
Current payment	366,638	-	14,436	381,074	383,250	(2,176)	100.6%	294,457	297,849
Transfers and subsidies	22	-	1,052	1,074	1,074	-	100%	31	31
Payment for capital assets	26,319	-	-	26,319	31,735	(5,416)	120.6%	51,989	22,587
Payment for financial assets	-	-	-	-	9,516	(9,516)	-	5,720	5,720

Detail per sub-programme per economic classification									
	2011/12							2010/11	
Detail per sub-programme Programme 3 – Emergency Medical Services	Adjusted Appropria-tion	Shifting of Funds	Virement	Final Appropriation	Actual Expendi-ture	Variance	Expenditure as % of final appropriation	Final Appropria-tion	Actual expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.2 Planned Patient Transport									
Current payment	9,871	-	-	9,871	8,293	1,578	84.0%	8,909	5,517
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	**402,850**	**-**	**15,488**	**418,338**	**433,868**	**(15,530)**	**103.7%**	**361,106**	**331,704**

Appropriation per Economic Classification									
	2011/12							2010/11	
Programme 3 per Economic Classification	Adjusted Appropria-tion	Shifting of Funds	Virement	Final Appropriation	Actual Expendi-ture	Variance	Expenditure as % of final appropriation	Final Appropria-tion	Actual expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	263,289	-	6,911	270,200	270,199	1	100.0%	198,095	198,095
Goods and services	111,699	-	7,525	119,224	121,059	(1,835)	101.5%	103,620	103,620
Interest and rent on land	1,521	-	-	1,521	285	1,236	18.7%	1,651	1,651
Transfers and subsidies									
Provinces & municipalities	-	-	1,052	1,052	912	140	86.7%	-	-
Public corporations and private enterprises	-	-	-	-	119	(119)	-	-	-

Vote 5 – FS: HEALTH
APPROPRIATION STATEMENT for the year ended 31 March 2012

Appropriation per Economic Classification									
	2011/12							2010/11	
Programme 3 per Economic Classification	Adjusted Appropria-tion	Shifting of Funds	Virement	Final Appropriation	Actual Expendi-ture	Variance	Expenditure as % of final appropriation	Final Appropria-tion	Actual expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Households	22	-	-	22	43	(21)	195.5%	31	31
Payments for capital assets									
Buildings and other fixed structures	635	-	-	635	635	-	100.0%	-	-
Machinery and equipment	25,684	-	-	25,684	31,100	(5,416)	121.1%	51,989	22,587
Payments for financial as-sets	-	-	-	-	9,516	(9,516)	-	5,720	5,720
Total	**402,850**	**-**	**15,488**	**418,338**	**433,868**	**(15,530)**	**103.7%**	**361,106**	**331,704**

Detail per sub-programme per economic classification									
	2011/12							2010/11	
Detail per sub-programme Programme 4 – Provincial Hospital Services	Adjusted Appropria-tion	Shifting of Funds	Virement	Final Appropriation	Actual Expendi-ture	Variance	Expenditure as % of final appropriation	Final Appropria-tion	Actual expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1 General Hospital									
Current payment	1,375,452	1,650	(8,394)	1,368,708	1,367,441	1,267	99.9%	1,241,185	1,236,786
Transfers and subsidies	2,104	-	3,386	5,490	5,985	(495)	109.0%	2,605	2,605
Payment for capital assets	25,002	429	-	25,431	17,126	8,305	67.3%	23,423	18,693
Payment for financial assets	-	-	-	-	4,044	(4,044)	-	1,091	1,091

Detail per sub-programme per economic classification									
	2011/12							2010/11	
Detail per sub-programme Programme 4 – Provincial Hospital Services	Adjusted Appropria-tion	Shifting of Funds	Virement	Final Appropriation	Actual Expendi-ture	Variance	Expenditure as % of final appropriation	Final Appropria-tion	Actual expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.2 Public-Private Partner-ship									
Current payment	1,452	(429)	-	1,023	1,390	(367)	135.9%	3,993	3,925
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
4.3 Psychiatric/Mental Hospital									
Current payment	242,447	(1,650)	(3,279)	237,518	229,457	8,061	96,6%	217,498	217,434
Transfers and subsidies	2,833	-	-	2,833	2,338	495	82.5%	2,720	2,508
Payment for capital assets	2,562	-	-	2,562	2,502	60	97.7%	2,400	1,890
Payment for financial assets	-	-	-	-	655	(655)	-	415	415
Total	**1,651,852**	**-**	**(8,287)**	**1,643,565**	**1,630,938**	**12,627**	**99,2%**	**1,495,330**	**1,485,347**

Vote 5 – FS: HEALTH
APPROPRIATION STATEMENT for the year ended 31 March 2012

Appropriation per Economic Classification									
	2011/12							2010/11	
Programme 4 Per Economic Classification	Adjusted Appropria-tion	Shifting of Funds	Virement	Final Appropria-tion	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	1,237,036	-	(6,510)	1,230,526	1,248,152	(17,626)	101,4%	1,090,085	1,089,046
Goods and services	382,274	(429)	(5,163)	376,682	350,135	26,547	93%	372,528	369,070
Interest and rent on land	41	-	-	41	1	40	2.4%	63	29
Transfers and subsidies									
Provinces and municipalities	-	-	7	7	7	-	100,0%	-	-
Public corporations and private enterprises	-	-	1,734	1,734	2,257	(523)	130,2%	-	-
Non-profit institutions	2,111	-	-	2,111	1,588	523	75,2%	1,375	1,163
Households	2,826	-	1,645	4,471	4,471	-	100,0%	3,950	3,950
Payments for capital as-sets									
Buildings and other fixed structures	-	351	-	351	351	-	100.0%	395	395
Machinery and equipment	27,564	78	-	27,642	19,277	8,365	69.7%	25,428	20,188
				-					
Payments for financial assets	-	-	-	-	4,699	(4,699)	-	1,506	1,506
Total	**1,651,852**	**-**	**(8,287)**	**1,643,565**	**1,630,938**	**12,627**	**99,2%**	**1,495,330**	**1,485,347**

Detail per sub-programme per economic classification									
	2011/12							2010/11	
Detail per sub-programme 5 – Central Hospital Services	Adjusted Appropria-tion	Shifting of Funds	Virement	Final Appropria-tion	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropria-tion	Actual expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
5.1 Central Hospital Services									
Current payment	1,097,852	-	(10,906)	1,086,946	1,089,045	(2,099)	100.2%	985,542	985,016
Transfers and subsidies	2,537	-	9	2,546	1,902	644	74.7%	3,933	3,933
Payment for capital assets	20,000	-	465	20,465	14,018	6,447	68,5%	72,241	72,241
Payment for financial assets	50	-	-	50	554	(504)	1108.0%	156	156
5.2 Public-Private Part-nership									
Current payment	5,808	-	-	5,808	7,042	(1,234)	121.2%	14,695	14,649
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	**1,126,247**	**-**	**(10,432)**	**1,115,815**	**1,112,561**	**3,254**	**99.7%**	**1,076,567**	**1,075,995**

Vote 5 – FS: HEALTH
APPROPRIATION STATEMENT
for the year ended 31 March 2012

Appropriation per Economic Classification									
	2011/12							2010/11	
Programme 5 per Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	813,079	-	(7,292)	805,787	810,559	(4,772)	100,6%	698,654	698,654
Goods and services	290,581	-	(3,614)	286,967	285,528	1,439	99,5%	301,558	300,986
Interest and rent on land	-	-	-	-	-	-	-	25	25
Transfers and subsidies									
Households	2,537	-	9	2,546	1,902	644	74,7%	3,933	3,933
Payments for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	-	11,564	12,207
Machinery and equipment	20,000	-	465	20,465	14,018	6,447	68.5%	60,677	60,034
Payments for financial assets	50	-	-	50	554	(504)	1108.0%	156	156
Total	**1,126,247**	**-**	**(10,432)**	**1,115,815**	**1,112,561**	**3,254**	**99,7%**	**1,076,567**	**1,075,995**

Detail per sub-programme per economic classification									
	2011/12							2010/11	
Detail per sub-programme Programme 6 – Health Science and Training	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropria-tion	Actual Expenditure	Variance	Expendi-ture as % of final ap-propriation	Final Appro-priation	Actual expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
6.1 Nurse Training College									
Current payment	70,958	-	(5,331)	65,627	67,263	(1,636)	102.5%	56,816	56,757
Transfers and subsidies	-	-	449	449	449	-	100,0%	224	224
Payment for capital assets	3,804	-	-	3,804	2,246	1,558	59.0%	2,139	828
Payment for financial assets	-	-	-	-	134	(134)	-	191	191
6.2 EMS Training College									
Current payment	17,413	-	-	17,413	15,895	1,518	91.3%	6,938	6,708
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	4,451	-	-	4,451	1,271	3,180	28.6%	6,781	6,564
Payment for financial assets	-	-	-	-	-	-	-	-	-
6.3 Primary Health Care Training									
Current payment									
Transfers and subsidies	24,112	-	-	24,112	28,907	(4,795)	119.9%	28,936	28,879
Payment for capital assets	20,034	-	606	20,640	20,640	-	100.0%	20,088	20,088
Payment for financial assets	265	-	-	265	253	12	95.5%	583	631

Vote 5 – FS: HEALTH
APPROPRIATION STATEMENT for the year ended 31 March 2012

Detail per sub-programme per economic classification									
	2011/12							2010/11	
Detail per sub-programme Programme 6 – Health Science and Training	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropria-tion	Actual Expenditure	Variance	Expendi-ture as % of final ap-propriation	Final Appro-priation	Actual expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
6.4 Other Training	-	-	-	-	-	-	-	-	-
Current payment	14,527	-	-	14,527	13,175	1,352	90.7%	16,921	16,737
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	56	108
Payment for financial assets	-	-	-	-	-	-	-	3	3
Total	**155,564**	**-**	**(4,276)**	**151,288**	**150,233**	**1,055**	**99.3%**	**139,676**	**137,718**

Appropriation per Economic Classification									
	2011/12							2010/11	
Programme 6 Per Economic Classification	Adjusted Appropria-tion	Shifting of Funds	Virement	Final Appropria-tion	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropria-tion	Actual expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	83,925	-	(5,331)	78,594	73,129	5,465	93.0%	72,078	72,004
Goods and services	42,911	147	-	43,058	52,108	(9,050)	121.0%	37,407	36,962
Interest and rent on land	174	(147)	-	27	2	25	7.4%	126	115
Transfers and subsidies									
Households	20,034	-	1,055	21,089	21,089	-	100,0%	20,312	20,312
Payments for capital assets									

Appropriation per Economic Classification									
	2011/12							2010/11	
Programme 6 Per Economic Classification	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
Buildings and other fixed structures	150	445	-	595	-	595	-	-	-
Machinery and equipment	8,370	(445)	-	7,925	3,771	4,154	47.6%	9,559	8,131
Payments for financial assets	-	-	-	-	134	(134)	-	194	194
Total	**155,564**	**-**	**(4,276)**	**151,288**	**150,233**	**1,055**	**99,3%**	**139,676**	**137,718**

Detail per sub-programme per economic classification									
	2010/11							2010/11	
Detail per sub-programme 7 Health Care Support Services	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
7.1 Laundries									
Current payment	87,477	-	(9,240)	78,237	75,872	2,365	97%	69,795	62,731
Transfers and subsidies	130	-	135	265	265	-	100.0%	258	258
Payment for capital assets	7,606	-	-	7,606	2,897	4,709	38.1%	1,581	311
Payment for financial assets	-	-	-	-	190	(190)	-	20	20
7.2 Orthotic and Prosthetic Services									
Current payment	16,506	-	-	16,506	16,074	432	97.4%	13,415	11,338

Detail per sub-programme per economic classification									
	2010/11							2010/11	
Detail per sub-programme 7 Health Care Support Services	Adjusted Appropria-tion	Shifting of Funds	Virement	Final Appropria-tion	Actual Expendi-ture	Variance	Expendi-ture as % of final appro-priation	Final Appropria-tion	Actual expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	100	-	-	100	57	43	57.0%	80	18
Payment for financial assets	-	-	-	-	-	-	-	-	-
7.3 Medicine (Medpas) Trading Account									
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	2,000	-	-	2,000	2,000	-	100.0%	2,000	2,000
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	**113,819**	**-**	**(9,105)**	**104,714**	**97,355**	**7,359**	**93.0%**	**87,149**	**76,676**

Appropriation per economic classification									
	2011/12							2010/11	
Programme 7 Per Economic Classification	Adjusted Appropria-tion	Shifting of Funds	Virement	Final Appropria-tion	Actual Expenditure	Variance	Expenditure as % of final appro-priation	Final Appropria-tion	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	64,498	-	(1,707)	62,791	62,557	234	99.6%	59,648	51,912
Goods and services	39,466	(2)	(7,533)	31,931	29,388	2,543	92.0%	23,556	22,153
Interest and rent on land	19	2	-	21	1	20	4.8%	6	4
Transfers and subsidies									
Departmental agencies and accounts	2,000	-	-	2,000	2,000	-	100.0%	2,000	2,000
Non-profit institutions	-	-	8	8	8	-	100.0%	-	-
Households	130	-	127	257	257	-	100,0%	258	258
Payments for capital assets									
Machinery and equipment	7,706	-	-	7,706	2,954	4,752	38.3%	1,661	329
Payments for financial assets	-	-	-	-	190	(190)	-	20	20
Total	**113,819**	**-**	**(9,105)**	**104,714**	**97,355**	**7,359**	**93.0%**	**87,149**	**76,676**

Vote 5 – FS: HEALTH
APPROPRIATION STATEMENT
for the year ended 31 March 2012

Detail per sub-programme per Economic Classification									
	2011/12							2010/11	
Detail per sub-programme 8 Health Facilities Management	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 District Hospital Services									
Current payment	6,979	-	-	6,979	3,461	3,518	49.6%	4,426	4,300
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	425,577	-	-	425,577	390,846	34,731	91.8%	359,000	225,964
Payment for financial assets	-	-	-	-	-	-	-	-	-
8.2 Provincial Health Services									
Current payment	5,000	-	-	5,000	5,004	(4)	100.1%	63,140	69,086
Transfers and subsidies	-	-	-	-	34,000	(34,000)	-	-	5,000
Payment for capital assets	128,858	-	-	128,858	39,594	89,264	30.7%	94,860	45,892
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	**566,414**	**-**	**-**	**566,414**	**472,905**	**93,509**	**83.5%**	**521,426**	**350,242**

Appropriation per Economic Classification									
	2011/12							2010/11	
Programme 8 per Economic Classification	Adjusted Appropria-tion	Shifting of Funds	Virement	Final Appropria-tion	Actual Expenditure	Variance	Expenditure as % of final appro-priation	Final Appropria-tion	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	3,157	-	-	3,157	3,138	19	99.4%	2,337	2,245
Goods and services	8,822	-	-	8,822	5,327	3,495	60.4%	65,229	71,140
Transfers and subsidies									
Provinces and municipalities	-	-	-	-	34,000	(34,000)	-	-	5,000
Payments for capital assets									
Buildings and other fixed structures	503,714	(2,500)	-	501,214	390,752	110,462	78.0%	362,000	220,710
Machinery and equipment	50,721	2,500	-	53,221	39,688	13,533	74.6%	91,860	51,147
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	**566,414**	**-**	**-**	**566,414**	**472,905**	**93,509**	**83.5%**	**521,426**	**350,242**

Vote 5 – FS: HEALTH
APPROPRIATION STATEMENT
for the year ended 31 March 2012

Detail per sub-programme									
	2011/12							2010/11	
Detail per sub-programme 9 Internal Charges	Adjusted Appropria-tion	Shifting of Funds	Virement	Final Appropria-tion	Actual Expenditure	Variance	Expenditure as % of final appropria-tion	Final Appropria-tion	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
9.1 Internal Charges: Laundry									
Current payment	(33,772)	-	-	(33,772)	-	(33,772)	-	(31,861)	(22,842)
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	**(33,772)**	**-**	**-**	**(33,772)**	**-**	**(33,772)**	**-**	**(31,861)**	**(22,842)**

Appropriation per Economic Classification									
	2011/12							2010/11	
Programme 9 Per Economic Classification	Adjusted Appropria-tion	Shifting of Funds	Virement	Final Appropria-tion	Actual Expendi-ture	Variance	Expendi-ture as % of final appro-priation	Final Appropria-tion	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Goods and services	(33,772)	-	-	(33,772)	-	(33,772)	-	(31,861)	(22,842)
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	**(33,772)**	**-**	**-**	**(33,772)**	**-**	**(33,772)**	**-**	**(31,861)**	**(22,842)**

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

Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A-H) to the Annual Financial Statements.

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

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

3. Detail on payments for financial assets

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

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

4.1 Per Programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Programme 1 - Administration	259,013	273,092	(14,079)	105.4%

The over-expenditure in Programme 1 is due to over-expenditure on Goods and Services related to the payment of data lines and contractors.

Programme 2 - District Health Services	2,704,972	2,640,287	64,685	97.6%

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

Programme 3 -Emergency Medical Services	418,338	433,868	(15,530)	103,7%

The over-expenditure in Programme 3 is due to over-expenditure on Goods and Services related to the payment of the rent of the government fleet and kilometre tariffs for GG-vehicles.

Programme 4 - Provincial Hospital Services	1,643,565	1,630,938	12,627	99,2%

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

Programme 5 - Central Hospital Services	1,115,815	1,112,561	3,254	99,7%

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

Programme 6 - Health Science and Training	151,288	150,233	1,055	99,3%

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

Programme 7 - Health Care Support Services	104,714	97,355	7,359	93.0%

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

Programme 8 - Health Facilities Management	566,414	472,905	93,509	83.5%

Slow spending on projects was a result of contract awarding that did not proceed as planned. Poor contractor performance on certain projects also contributed to the under-expenditure on this programme

4.2 Per Economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current payments				
Compensation of employees	4,337,202	4,372,333	(35,131)	(0.81%)
Goods and services	1,746,000	1,732,350	13,650	0.78%
Interest and rent on land	1,884	338	1,546	82.06%
Transfers and subsidies				
Provinces and municipalities	1,690	35,672	(33,982)	(2 010.77%)
Departmental agencies and accounts	2,000	2,000	-	0%
Public corporations and private enterprises	3,880	4,974	(1,094)	(28.20%)
Non-profit institutions	70,738	53,243	17,495	24.73%
Households	31,352	32,561	(1,209)	(3.86%)
Payments for capital assets				
Buildings and other fixed structures	542,321	403,525	138,796	25.59%
Machinery and equipment	193,230	142,421	50,809	26.29%
Payments for financial assets	50	31,822	(31,772)	(63 544.0%)

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2012

	Note	2011/12		2010/11
		R'000		R'000
REVENUE				
Annual appropriation	1	6,930,347		6,307,313
Departmental revenue	2	22,042		15,608
Aid assistance	3	15,213		32,631
TOTAL REVENUE		**6,967,602**		**6,355,552**
EXPENDITURE				
Current expenditure				
Compensation of employees	4	4,372,333		3,772,860
Goods and services	5	1,732,350		1,698,993
Interest and rent on land	6	338		2,679
Aid assistance	3	7,490		5,761
Unauthorised expenditure approved without funding	10	-		15,936
Total current expenditure		**6,112,511**		**5,496,229**
Transfers and subsidies				
Transfers and subsidies	8	128,450		93,066
Aid assistance	3	6,420		3,276
Unauthorised expenditure approved without funding	10	-		-
Total transfers and subsidies		**134,870**		**96,342**
Expenditure for capital assets				
Tangible capital assets	9	547,249		432,203
Software and other intangible assets	9	-		-
Unauthorised expenditure approved without funding	10	-		-
Total expenditure for capital assets		**547,249**		**432,203**
Payments for financial assets	7	31,822		19,384
TOTAL EXPENDITURE		**6,826,452**		**6,044,158**
SURPLUS FOR THE YEAR		**141,150**		**311,394**

	Note	2011/12		2010/11
		R'000		R'000
Reconciliation of Net Surplus/(Deficit) for the year				
Voted funds		**119,108**		**272,198**
Annual appropriation		(60,062)		111,713
Conditional grants		179,170		160,485
Unconditional grants				
Departmental revenue and NRF Receipts	16	22,042		15,608
Aid assistance	3	-		23,588
SURPLUS/(DEFICIT) FOR THE YEAR		**141,150**		**311,394**

STATEMENT OF FINANCIAL POSITION
as at 31 March 2012

	Note	2011/12		2010/11
		R'000		R'000
ASSETS				
Current assets		**205,225**		**266,656**
Unauthorised expenditure	10	141,284		115,525
Fruitless and wasteful expenditure	11	-		4,226
Cash and cash equivalents	12	27,904		113,003
Prepayments and advances	13	275		114
Receivables	14	35,762		33,788
TOTAL ASSETS		**205,225**		**266,656**
LIABILITIES				
Current liabilities		**183,836**		**246,511**
Voted funds to be surrendered to the Revenue Fund	15	161,747		125,377
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	16	19,723		105,064
Payables	17	2,348		804
Aid assistance repayable	3	18		15,266
TOTAL LIABILITIES		**183,836**		**246,511**
NET ASSETS		**21,389**		**20,145**
Represented by:				
Recoverable revenue		21,389		20,145
TOTAL		**21,389**		**20,145**

STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2012

NET ASSETS	Note	2011/12		2010/11
		R'000		R'000
Recoverable revenue				
Opening balance		20,145		12,365
Transfers:		1,244		7,780
Irrecoverable amounts written off		-		-
Debts revised		(5,841)		(2,809)
Debts recovered (included in departmental receipts)		(9,728)		(2,554)
Debts raised		16,813		13,143
Closing balance		**21,389**		**20,145**
TOTAL		**21,389**		**20,145**

CASH FLOW STATEMENT
for the year ended 31 March 2012

	Note	2011/12		2010/11
		R'000		R'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts		**7,118,814**		**6,408,008**
Annual appropriated funds received	1.1	6,930,347		6,193,920
Departmental revenue received	2	173,254		181,457
Aid assistance received	3	15,213		32,631
Net (increase)/decrease in working capital		(22,124)		210,969
Surrendered to Revenue Fund		(392,757)		(471,856)
Surrendered to RDP Fund/Donor		(15,248)		(14,259)
Current payments		(6,065,547)		(5,496,229)
Payments for financial assets		(31,822)		(19,384)
Transfers and subsidies paid		(134,870)		(96,342)
Net cash flow available from operating activities	18	**456,446**		**520,907**
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for capital assets	9	(547,249)		(432,203)
Proceeds from sale of capital assets	2.3	4,460		6,495
Net cash flows from investing activities		**(542,789)**		**(425,708)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase/(decrease) in net assets		1,244		7,780
Net cash flows from financing activities		**1,244**		**7,780**
Net increase/(decrease) in cash and cash equivalents		(85,099)		102,979
Cash and cash equivalents at beginning of period		113,003		10,024
Cash and cash equivalents at end of period	19	27,904		113,003

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

1. Presentation of the Financial Statements

1.1. Basis of preparation

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

1.2. Presentation currency

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

1.3 Rounding

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

1.4. Comparative figures

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

1.5. Comparative figures - Appropriation Statement

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

2. Revenue

2.1. Appropriated funds

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

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

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

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

2.2. Departmental revenue

All departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the National/Provincial Revenue Fund, unless stated otherwise.
Any amount owing to the National/Provincial Revenue Fund at the end if the financial year is recognised as a payable in the statement of financial position.
No accrual is made for amounts receivable from the last receipt date to the end of the reporting period. These amounts are however disclosed in the disclosure notes to the annual financial statements.

2.3. Direct Exchequer receipts

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

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

2.4. Direct Exchequer payments

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

2.5. Aid assistance

Aids assistance is recognised as revenue when received

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

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

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

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

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

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

3. Expenditure

3.1. Compensation of employees

3.1.1. Salaries and wages

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

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

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

3.1.2. Social contributions

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

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

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

3.2. Goods and services

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

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

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

3.3. Interest and rent on land

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

3.4. Payments for financial assets

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

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

3.5. Transfers and subsidies

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

3.6. Unauthorised expenditure

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

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

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

3.7. Fruitless and wasteful expenditure

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

3.8. Irregular expenditure

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

4. Assets

4.1. Cash and cash equivalents

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

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

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

4.2. Other financial assets

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

4.3. Prepayments and advances

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

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

4.4. Receivables

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

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

4.5. Investments

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

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

4.6. Loans

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

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

4.7. Inventory

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

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

4.8. Capital assets

4.8.1. Movable assets

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

All assets acquired prior to 1 April 2006 are included in the register R1.

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

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

4.8.2. Immovable assets

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

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

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

4.8.3. Intangible assets

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

All intangible assets acquired prior to 1 April 2002 can be included in the asset register at R1.*

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

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

5. Liabilities

5.1. Payables

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

5.2. Contingent liabilities

Contingent liabilities are included in the disclosure notes to the financial statements when it is possible that economic benefits

will flow from the department, or when an outflow of economic benefits or service potential is probable but cannot be measured reliably.

5.3. Contingent assets

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

5.4. Commitments

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

5.5. Accruals

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

5.6. Employee benefits

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

5.7. Lease commitments

Finance lease

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

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

5.8. Impairment

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

5.9. Provisions

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

6. Receivables for departmental revenue

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

7. Net Assets

7.1. Capitalisation reserve

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

7.2. Recoverable revenue

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

8. Related party transactions

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

9. Key management personnel

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

10. Public private partnerships

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

1. Annual Appropriation

1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act and the Adjustments Appropriation Act:

		2011/12		2010/11
	Final Appropriation	Actual Funds Received	Funds not requested/ not re-ceived	Appropriation received
	R'000	R'000	R'000	R'000
Administration	259,013	258,163	850	226,464
District Health Services	2,704,972	2,689,210	15,762	2,431,456
Emergency Medical Services	418,338	402,850	15,488	361,106
Provincial Hospital Services	1,643,565	1,651,852	(8,287)	1,495,330
Central Hospital Services	1,115,815	1,126,247	(10,432)	1,076,567
Health Science and Training	151,288	155,564	(4,276)	139,676
Health Care Support Services	104,714	80,047	24,667	87,149
Health Facilities Management	566,414	566,414	-	408,033
Internal Charges	(33,772)	-	(33,772)	(31,861)
Total	**6,930,347**	**6,930,347**	**-**	**6,193,920**

1.2. Conditional grants

	Note	2011/12	2010/11
		R'000	R'000
Total grants received	47	2,009,418	1,611,795
Provincial grants included in Total Grants received		-	22,500

	Note	2011/12	2010/11
		R'000	R'000

2. Departmental revenue

Sales of goods and services other than capital assets	2.1	146,756	119,695
Interest, dividends and rent on land	2.2	266	340
Sales of capital assets	2.3	4,460	6,495
Transactions in financial assets and liabilities	2.4	26,232	61,422
Total revenue collected		**177,714**	**187,952**
Less: Own revenue included in appropriation	16	155,672	172,344
Departmental revenue collected		**22,042**	**15,608**

2.1 Sales of goods and services other than capital assets

Sales of goods and services produced by the department	146,605	119,562
Sales by market establishment	1,632	2,204
Administrative fees	433	357
Other sales	144,540	117,001
Sales of scrap, waste and other used current goods	151	133
Total	**146,756**	**119,695**

2.2. Interest, dividends and rent on land

Interest	266	338
Rent on land	-	2
Total	**266**	**340**

2.3. Sale of capital assets

Tangible assets		4,460	6,495
Machinery and equipment	32	4,460	6,495
Total		**4,460**	**6,495**

	Note	2011/12	2010/11
		R'000	R'000

2.4. Transactions in financial assets and liabilities

Receivables	9,716	2,653
Stale cheques written back	20	12
Other Receipts including Recoverable Revenue	16,496	58,757
Total	**26,232**	**61,422**

3. Aid assistance

3.1. Aid assistance received in cash from RDP

Foreign		
Opening Balance	15,248	5,867
Revenue	15,213	29,583
Expenditure	**(15,213)**	**(8,991)**
Current	(7,490)	(5,709)
Capital	(1,303)	(6)
Transfers	(6,420)	(3,276)
Surrendered to the RDP	(15,248)	(11,211)
Closing Balance	**-**	**15,248**

3.2. Aid assistance received in cash from other sources

Opening Balance	18	70
Revenue	-	3,048
Expenditure	-	(52)
Current	-	(52)
Surrendered to the donor	-	(3,048)
Closing Balance	**18**	**18**

	Note	2011/12	2010/11
		R'000	R'000

3.3. Total assistance

Opening Balance	15,266	5,937
Revenue	15,213	32,631
Expenditure	**(15,213)**	**(9,043)**
Current	(7,490)	(5,761)
Capital	(1,303)	(6)
Transfers	(6,420)	(3,276)
Surrendered / Transferred to retained funds	(15,248)	(14,259)
Closing Balance	**18**	**15,266**

3.4. Analysis of balance

Aid assistance repayable	**18**	**15,266**
RDP	-	15,248
Other sources	18	18
Closing balance	**18**	**15,266**

4. Compensation of employees

4.1. Salaries and Wages

Basic salary	2,839,344	2,437,418
Performance award	50,839	78,608
Service Based	5,541	5,732
Compensative/circumstantial	394,268	329,695
Periodic payments	4,770	6,112
Other non-pensionable allowances	511,615	441,013
Total	**3,806,377**	**3,298,578**

	Note	2011/12	2010/11
		R'000	R'000

4.2. Social contributions

Employer contributions			
Pension		355,120	301,851
Medical		210,302	171,952
Bargaining council		534	479
Total		**565,956**	**474,282**
Total compensation of employees		**4,372,333**	**3,772,860**
Average number of employees		**18,020**	**16,231**

5. Goods and services

Administrative fees		4,739	936
Advertising		18,789	8,396
Assets less than R5,000	5.1	16,656	21,285
Bursaries (employees)		92	-
Catering		10,034	5,618
Communication		51,788	51,261
Computer services	5.2	28,197	36,308
Consultants, contractors and agency/outsourced services	5.3	439,773	477,236
Entertainment		411	303
Audit cost – external	5.4	16,207	10,815
Fleet services		47,689	73,920
Inventory	5.5	864,302	825,467
Operating leases		52,565	68,559
Property payments	5.6	48,121	50,170
Travel and subsistence	5.7	81,436	34,974
Venues and facilities		7,207	2,436
Training and staff development		23,083	18,477
Other operating expenditure	5.8	21,261	12,832
Total		**1,732,350**	**1,698,993**

	2011/12	2010/11
	R'000	R'000
5.1. Assets less than R5,000		
Tangible assets		
Machinery and equipment	16,656	21,285
Total	**16,656**	**21,285**

5.2. Computer services		
SITA computer services	20,680	28,170
External computer service providers	7,517	8,138
Total	**28,197**	**36,308**

5.3. Consultants, contractors and agency/outsourced services		
Business and advisory services	20,488	4,313
Infrastructure and planning	-	9,974
Laboratory services	184,501	212,481
Legal costs	1,778	504
Contractors	115,031	138,206
Agency and support/outsourced services	117,975	111,758
Total	**439,773**	**477,236**

5.4. Audit cost – External		
Regularity audits	13,063	10,805
Investigations	3,144	10
Total	**16,207**	**10,815**

	Note	2011/12		2010/11
		R'000		R'000
5.5. Inventory				
Food and food supplies		27,941		34,761
Fuel, oil and gas		12,554		12,836
Other consumable materials		74,058		69,449
Materials and supplies		5,248		5,018
Stationery and printing		28,402		21,624
Medical supplies		279,267		230,672
Medicine		436,832		451,107
Total		**864,302**		**825,467**

5.6. Property payments				
Municipal services		1,086		1,479
Other		47,035		48,691
Total		**48,121**		**50,170**

5.7. Travel and subsistence				
Employee costs		81,436		34,974
Domestic travel costs		80,331		34,698
International travel costs		1,105		276
Total		**81,436**		**34,974**

5.8. Other operating expenditure				
Learnerships		12,089		4,494
Professional bodies, membership and subscription fees		548		529
Resettlement costs		2,114		2,788
Other		6,510		5,021
Total		**21,261**		**12,832**

	Note	2011/12		2010/11
		R'000		R'000

6. Interest and rent on land

Interest paid	338	2,679
Total	**338**	**2,679**

7. Payments for financial assets

Material losses through criminal conduct		1,073	586
Other material losses	7.1	1,073	586
Other material losses written off	7.2	30,749	18,798
Total		**31,822**	**19,384**

7.1. Other material losses

Nature of other material losses

Incident		
Criminal Act - (State Personnel)	2	586
Criminal Act (Unknown)	1,071	-
Total	**1,073**	**586**

7.2. Other material losses written off

Nature of losses		
Claims by State	370	540
Sundry Items	867	993
Vehicle Accidents/Own Damage	10,012	6,469
Claims against the state: Mobile Government Vehicles	74	-
Claims against the state: Other claims	-	212
Excess Payments	-	1
Stock Shortages	2,812	10,326
Fruitless & Wasteful Expenditure	16,614	257
Total	**30,749**	**18,798**

	Note	2011/12	2010/11
		R'000	R'000
8. Transfers and subsidies			
Provinces and municipalities	*Annex 1A*	38,983	5,000
Departmental agencies and accounts	*Annex 1B*	2,000	2,000
Public corporations and private enterprises	*Annex 1C*	1,671	1,747
Non-profit institutions	*Annex 1D*	53,236	50,088
Households	*Annex 1E*	32,560	34,231
Total		**128,450**	**93,066**

	Note	2011/12	2010/11
		R'000	R'000
9. Expenditure for capital assets			
Tangible assets			
Buildings and other fixed structures	34	403,525	237,655
Machinery and equipment	32	143,724	194,548
Total		**547,249**	**432,203**

	Voted funds	Aid assis-tance	Total
	R'000	R'000	R'000
9.1. Analysis of funds utilised to acquire capital assets – 2011/12			
Tangible assets	**545,946**	**1,303**	**547,249**
Buildings and other fixed structures	403,525	-	403,525
Machinery and equipment	142,421	1,303	143,724
Total	**545,946**	**1,303**	**547,249**

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000

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

Tangible assets	**432,197**	**6**	**432,203**
Buildings and other fixed structures	237,655	-	237,655
Machinery and equipment	194,542	6	194,548
Total	**432,197**	**6**	**432,203**

10. Unauthorised expenditure

	Note	2011/12	2010/11
		R'000	R'000
10.1. Reconciliation of unauthorised expenditure			
Opening balance		115,525	338,153
Unauthorised expenditure – discovered in current year	15	46,964	-
Less: Amounts approved by Parliament/Legislature with funding		(21,205)	(206,692)
Less: Amounts approved by Parliament/Legislature without funding and written off in the Statement of Financial Performance		-	(15,936)
Current		-	(15,936)
Unauthorised expenditure awaiting authorisation / written off		**141,284**	**115,525**

The prior year figure for unauthorised expenditure was adjusted due to an incorrect calculation.

10.2. Analysis of unauthorised expenditure awaiting authorisation per economic classification

Current	137,959	112,200
Transfers and subsidies	3,325	3,325
Total	**141,284**	**115,525**

10.3. Analysis of unauthorised expenditure awaiting authorisation per type

Unauthorised expenditure relating to overspending of the vote or a main division within a vote	141,284	115,525
Total	**141,284**	**115,525**

10.4 Details of unauthorised expenditure – current year

Incident	Disciplinary steps taken/ criminal proceedings	2011/12 R'000
Overspending on programs	None	46,964
Total		**46,964**

11. Fruitless and wasteful expenditure

	Note	2011/12		2010/11
		R'000		R'000
11.1. Reconciliation of fruitless and wasteful expenditure				
Opening balance		4,226		4,930
Less: Amounts condoned		(4,226)		(704)
Fruitless and wasteful expenditure awaiting condonement		-		4,226
11.2 Analysis of awaiting condonement per economic classification				
Current		-		4,226
Capital		-		-
Transfers and subsidies		-		-
Total		**-**		**4,226**

	Note	2011/12		2010/11
		R'000		R'000

12. Cash and cash equivalents

Consolidated Paymaster General Account	27,789	112,268
Disbursements	-	734
Cash on hand	115	1
Total	**27,904**	**113,003**

13. Prepayments and advances

Travel and subsistence	275	114
Total	**275**	**114**

14. Receivables

		2011/12					2010/11
		R'000	R'000	R'000	R'000		R'000
	Note	Less than one year	One to three years	Older than three years	Total		Total
Claims recoverable	14.1 Annex 3	9	-	4,511	4,520		4,511
Recoverable expenditure	14.2	-	-	1,099	1,099		1,100
Staff debt	14.3	4,169	9,423	16,548	30,140		28,142
Other debtors	14.4	3	-	-	3		35
Total		**4,181**	**9,423**	**22,158**	**35,762**		**33,788**

		2011/12		2010/11
		R'000		R'000

14.1. Claims recoverable

National departments	9	9
Provincial departments	4,511	4,502
Total	**4,520**	**4,511**

	Note	2011/12		2010/11
		R'000		R'000

14.2. Recoverable expenditure (disallowance accounts)

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

14.3. Staff debt

Staff Debt		34,568	32,301
Debt received interest		(5,106)	(4,825)
Control Accounts		678	666
Total		**30,140**	**28,142**

14.4. Other debtors

Clearing Accounts		3	35
Total		**3**	**35**

15. Voted funds to be surrendered to the Revenue Fund

Opening balance		125,377	309,968
Transfer from statement of financial performance		119,108	272,198
Add: Unauthorised expenditure for current year	10	46,964	-
Voted funds not requested/not received	1.1	-	(113,393)
Paid during the year		(129,702)	(343,396)
Closing balance		**161,747**	**125,377**

The prior year figure was restated due to a calculation error in respect of Unauthorised Expenditure.

	Note	2011/12		2010/11
		R'000		R'000

16. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund

Opening balance	105,064	45,572
Transfer from Statement of Financial Performance	22,042	15,608
Own revenue included in appropriation	155,672	172,344
Paid during the year	(263,055)	(128,460)
Closing balance	**19,723**	**105,064**

17. Payables – current

Clearing accounts	17.1	2,312	240
Other payables	17.2	36	564
Total		**2,348**	**804**

17.1. Clearing accounts

Salary income tax clearing account	1,890	217
Salary housing clearing account	29	15
Salary Garnishee orders	1	8
Salary Bargaining council	2	-
Salary Pension Fund	390	-
Total	**2,312**	**240**

17.2. Other payables

Credit balances included in receivables	36	564
Total	**36**	**564**

18. Net cash flow available from operating activities

	Note	2011/12 Total		2010/11 Total
		R'000		R'000
Net surplus/(deficit) as per Statement of Financial Performance		141,150		311,394
Add back non cash/cash movements not deemed operating activities		315,296		209,513
(Increase)/decrease in receivables – current		(1,974)		(13,200)
(Increase)/decrease in prepayments and advances		(161)		49
(Increase)/decrease in other current assets		25,431		223,332
Increase/(decrease) in payables – current		1,544		788
Proceeds from sale of capital assets		(4,460)		(6,495)
Expenditure on capital assets		547,249		432,203
Surrenders to Revenue Fund		(392,757)		(471,856)
Surrenders to RDP Fund/Donor		(15,248)		(14,259)
Voted funds not requested/not received		-		(113,393)
Own revenue included in appropriation		155,672		172,344
Net cash flow generated by operating activities		**456,446**		**520,907**

19. Reconciliation of cash and cash equivalents for cash flow purposes

Consolidated Paymaster General account	27,789	112,268
Disbursements	-	734
Cash on hand	115	1
Total	**27,904**	**113,003**

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

	Note	2011/12		2010/11
		R'000		R'000

20. Contingent liabilities and contingent assets

20.1. Contingent liabilities

Liable to	Nature			
Housing loan guarantees	Employees	*Annex 2A*	968	1,247
Claims against the department		*Annex 2B*	113,382	43,744
Other departments (interdepartmental unconfirmed balances)		*Annex 4*	31	3,434
Total			**114,381**	**48,425**

The housing loan guarantees were restated due to a system error on Persal whereby the closing balance of 2010/2011 and the opening balance of 2011/2012 did not agree. In addition, FDC guarantees, as previously disclosed, is not regarded as contingent liabilities which resulted in a restatement of the 2010/2011 figure in respect there-of. These changes were also affected on Annexure 2A.

20.2. Contingent assets

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

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

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

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

	2011/12	2010/11
	R'000	R'000
21. Commitments		
Current expenditure		
Approved and contracted	205,437	123,223
Approved but not yet contracted	17,832	9,600
	223,269	132,823
Capital expenditure (Including transfers)		
Approved and contracted	812,316	940,394
Approved but not yet contracted	2,118	-
	814,434	940,394
Total Commitments	**1,037,703**	**1,073,217**

22. Accruals

Listed by economic classification	Note					
		30 Days	**30+ Days**	**Total**		**Total**
Goods and services		229,857	30,142	259,999		62,957
Transfers and subsidies		1,085	1,131	2,216		504
Capital assets		32,923	105,742	138,665		14,301
Other		-	-	-		121
Total		**263,865**	**137,015**	**400,880**		**77,883**

Listed by programme level		
Programme 1 – Administration	71,507	3,912
Programme 2 – District Health Services	54,521	5,705
Programme 3 – Emergency Medical Services	1,702	702
Programme 4 – Provincial Hospital Services	17,075	1,991
Programme 5 – Central Hospital Services	23,965	7,725
Programme 6 – Health Science Training	825	23
Programme 7 – Health Care Support and Central Medical Trading Account	87,108	45,416
Programme 8 – Health Facilities Management	144,177	12,409
Total	**400,880**	**77,883**

Confirmed balances with other departments	Annex 4	4,907	4,008
Total		**4,907**	**4,008**

	Note	2011/12		2010/11
		R'000		R'000

23. Employee benefits

Leave entitlement	152,515	115,326
Service bonus (Thirteenth cheque)	118,195	99,499
Performance awards	65,228	50,249
Capped leave commitments	163,430	158,061
Total	**499,368**	**423,135**

The prior year figure for performance awards was included. This figure was not previously disclosed.

Negative of leave entitlement balances	8 480	8 211
Negative of capped leave commitment balances	-	17

24. Lease commitments

24.1. Operating leases expenditure

	Specialised military asset	Land	Buildings and other fixed structures	Machinery and equipment	Total
2011/12					
Not later than 1 year	-	-	-	62,313	62,313
Later than 1 year and not later than 5 years	-	-	-	106,081	106,081
Later than five years	-	-	-	3,679	3,679
Total lease commitments	**-**	**-**	**-**	**172,073**	**172,073**
2010/11					
Not later than 1 year	-	-	-	23,526	23,526
Later than 1 year and not later than 5 years	-	-	-	34,253	34,253
Later than five years	-	-	-	1,986	1,986
Total lease commitments	**-**	**-**	**-**	**59,765**	**59,765**

The department has entered into a service level agreement (lease agreement) with the Free State Government Motor Transport for the provision of vehicles. A total number of 353 vehicles are leased by the department as at year end. In the current year all leases are being treated as operating leases in terms of an exemption granted by the National Treasury.

24.2. Finance leases expenditure**

2011/12	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	-	18,963	18,963
Later than 1 year and not later than 5 years	-	-	-	74,385	74,385
Later than five years	-	-	-	-	-
Total lease commitments	**-**	**-**	**-**	**93,348**	**93,348**
LESS: finance costs	-	-	-	2,080	2,080
Total present value of lease liabilities	**-**	**-**	**-**	**91,268**	**91,268**
2010/11					
Not later than 1 year	-	-	-	8,269	8,269
Later than 1 year and not later than 5 years	-	-	-	520	520
Later than five years	-	-	-	-	-
Total lease commitments	**-**	**-**	**-**	**8,789**	**8,789**
LESS: finance costs	-	-	-	571	571
Total present value of lease liabilities	**-**	**-**	**-**	**8,218**	**8,218**

25. Receivables for departmental revenue

	Note	2011/12		2010/11
		R'000		R'000
Sales of goods and services other than capital assets		670,035		495,113
Transactions in financial assets and liabilities		-		11,811
Other		2,485		-
Total		**672,520**		**506,924**

	Note	2011/12		2010/11
		R'000		R'000

25.1. Analysis of receivables for departmental revenue

Opening balance	506,924	365,583
Less: amounts received	283,242	221,719
Add: amounts recognised	575,080	453,468
Less: amounts written-off/reversed as irrecoverable	126,242	90,408
Closing balance	**672,520**	**506,924**

26. Irregular expenditure

26.1. Reconciliation of irregular expenditure

Opening balance	149,707	278,932
Add: Irregular expenditure – relating to current year	45,278	229,803
Less: Amounts condoned	(8,059)	(359,028)
Less: Amounts not recoverable (not condoned)	(2,232)	-
Irregular expenditure awaiting condonation	**184,694**	**149,707**

Analysis of awaiting condonation per age classification

Current year	39,932	14,133
Prior years	144,762	135,574
Total	**184,694**	**149,707**

The prior year figures for irregular expenditure were restated due to cases that were condoned in the previous financial year.

26.2. Details of irregular expenditure – current year

Incident	Disciplinary steps taken/criminal proceedings	2011/12 R'000
Procurement processes not adhered to	Under investigation	45,278
Total		**45,278**

Incident	Condoned by (condoning authority)	2011/12 R'000
26.3. Details of irregular expenditure condoned		
Procurement processes not adhered to	Accounting Officer	8,059
Total		**8,059**

Incident	2011/12 R'000
26.4. Details of irregular expenditure recoverable (not condoned)	
Irregular expenditure recoverable from individuals	2,232
Total	**2.232**

26.5. Details of irregular expenditures under investigation

Procurement processes not adhered to	217,622
Expenditure not in terms of the grants business plans	232,469
Over-expenditure on compensation of employees	35,131
Commuted overtime paid to dentists	24,740
SMS Bonuses and pay progressions paid	370
Total	**510,332**

Further instances to determine the extent of these types of irregular expenditure are under investigation.

27. Fruitless and wasteful expenditure

27.1. Reconciliation of fruitless and wasteful expenditure

	Note	2011/12	2010/11
		R'000	R'000
Opening balance		2,402	23,070
Fruitless and wasteful expenditure – relating to current year		10,891	3,372
Less: Amounts resolved		(12,647)	(24,040)
Fruitless and wasteful expenditure awaiting condonement		**646**	**2,402**
27.2. Analysis of awaiting condonation per economic classification			
Current		646	2,402
Total		**646**	**2,402**

Incident	Disciplinary steps taken/criminal proceedings	2011/12 R'000
27.3. Analysis of Current year's fruitless and wasteful expenditure		
Expired Medicine	None	10,818
Damages to State Property	Under Investigation	5
Breach of Contract	Under Investigation	66
Administrative Errors resulting in double payment for services	Under Investigation	2
Total		**10,891**

The prior year figure for fruitless and wasteful expenditure relating to current year has been restated due to an incident that proved not to be fruitless after thorough investigation. The applicable case has been cancelled.

Payments made	Note	2011/12		2010/11
		R'000		R'000

28. Related party transactions

Goods and services	429,132	390,548
Total	**429,132**	**390,548**

Revenue received

Sales of goods and services other than capital assets	**27,896**	**-**

Year end balances arising from revenue/payments

Payables to related parties	80,818	45,374
Total	**80,818**	**45,374**

1. The Department of Public Works provided office accommodation to the Department of Health in the attached list of facilities. No value for this service can be attributed to this transaction.
   - 1 Academic Hospital
   - 1 Psychiatric Hospital
   - 5 Regional Hospitals
   - 24 District Hospitals
   - 227 Clinics
   - 10 Community Health Centres
2. The Department of Provincial Treasury paid for the use of the transversal operating systems (BAS, PERSAL and LOGIS) on behalf of the Department of Health to SITA. No value for this service can be attributed to this transaction.
3. The Department of Public Works rendered services on the administration of infrastructure contracts, free of charge to the Department of Health. No value for this service can be attributed to this transaction.
4. 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.

29. Key management personnel

	No. of Individuals	2011/12		2010/11
		R'000		R'000
Political office bearers (provide detail below)	1	1,566		1,522
Officials:				
Level 15 to 16	5	6,493		5,106
Level 14 (incl. CFO if at a lower level)	10	10,400		7,902
Family members of key management personnel	12	2,191		2,956
Total		**20,650**		**17,486**

	Note	2011/12		2010/11
		R'000		R'000

30. Public Private Partnership

Contract fee received	**8,970**	**7,804**
Fixed & variable fee	3,400	5,742
Water & electricity Repayments	3,000	336
Joint Venture Medical Services	2,570	-
Other CHM	-	1,726
Contract fee paid	**5,500**	**14,620**
Indexed component	5,500	14,620
Analysis of indexed component	**5,500**	**14,620**
Goods and services	5,500	14,620
Payables	**1,272**	**1,635**
Contractual obligations	1,272	1,635
Receivables	**424**	**2,615**
Fixed & Variable fee	424	2,615

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

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

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

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

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

Radiology Services were in terms of the Concession Agreement to be provided by the FSDoH, the Community Hospital management (Proprietary) Limited and Third Parties. The Community Hospital Management (Proprietary) Limited was obliged

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

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

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

The simplified interpretation of the Concession Agreement is that the Community Hospital Management (Proprietary) Limited would appoint an administrator to administer and collect all the Radiology Fees relating to Private Patients. 22.5% of all revenue, whether Actual Department of Actual Third Party Fees should accrue to the Department. From the balance, the Community Hospital Management (proprietary) Limited should pay he administration fee as well as a professional fee to the radiologist who performed the services.

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

31. Provisions

	Note	2011/12		2010/11
		R'000		R'000
Potential Irrecoverable Debt				
Staff Debt		12,922		3,401
Other Debtors		342,436		349,514
Total		**355,358**		**352,915**

32. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012					
	Opening balance	Curr Year Adjust-ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**889,990**	**(403,267)**	**110,199**	**26,712**	**570,210**
Transport assets	69,823	(1,173)	5,903	9,028	65,525
Computer equipment	97,933	(31,350)	14,910	619	80,874
Furniture and office equipment	33,391	41,258	(5,574)	475	68,600
Other machinery and equipment	688,843	(412,002)	94,960	16,590	355,211
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**889,990**	**(403,267)**	**110,199**	**26,712**	**570,210**

32.1. Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012					
	Cash	Non-cash	(Capital Work in Progress current costs and finance lease pay-ments)	Received current, not paid (Paid current year, re-ceived prior year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**120,678**	**8,840**	**(23,057)**	**3,738**	**110,199**
Transport assets	4,432	1,471	-	-	5,903
Computer equipment	13,239	874	-	797	14,910
Furniture and office equipment	14,288	2,727	(23,057)	468	(5,574)
Other machinery and equipment	88,719	3,768	-	2,473	94,960
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	**120,678**	**8,840**	**(23,057)**	**3,738**	**110,199**

32.2. Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED31 MARCH 2012					
	Sold for cash	Transfer out or destroyed or scrapped	Total disposals		Cash Received Actual
	R'000	R'000	R'000		R'000
MACHINERY AND EQUIPMENT	10,107	16,605	26,712		4,460
Transport assets	8,436	592	9,028		-
Computer equipment	112	507	619		-
Furniture and office equipment	475	-	475		-
Other machinery and equipment	1,084	15,506	16,590		4,460
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	**10,107**	**16,605**	**26,712**		**4,460**

The department has entered into a service level agreement (lease agreement) with the Free State Government Motor Transport for the provision of vehicles. A total number of 353 vehicles are leased by the department as at year end. In the current year all leases are being treated as operating leases in terms of an exemption granted by the National Treasury.

32.3. Movement for 2010/11

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011				
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**712,881**	**207,726**	**30,617**	**889,990**
Transport assets	74,993	11,295	16,465	69,823
Computer equipment	68,079	34,703	4,849	97,933
Furniture and office equipment	25,207	8,630	446	33,391
Other machinery and equipment	544,602	153,098	8,857	688,843
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**712,881**	**207,726**	**30,617**	**889,990**

32.4. Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2012						
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	808	11	217,391	16	**218,226**
Curr Year Adjustments to Prior Year balances	-	-	-	(117,556)	-	**(117,556)**
Additions	-	-	-	20,527	-	**20,527**
Disposals	-	-	-	685	-	**685**
TOTAL MINOR ASSETS	**-**	**808**	**11**	**119,677**	**16**	**120,512**
Number of R1 minor assets	-	-	22	29,596	-	29,618
Number of minor assets at cost	-	591	-	355,589	229	356,409
TOTAL NUMBER OF MINOR ASSETS	**-**	**591**	**22**	**385,185**	**229**	**386,027**

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

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

33. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012					
	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	1,418	(23)	10	-	1,405
TOTAL INTANGIBLE CAPITAL ASSETS	**1,418**	**(23)**	**10**	**-**	**1,405**

33.1. Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012					
	Cash	Non-Cash	(Development work in progress – current costs)	Received current year, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	-	-	-	10	10
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	**-**	**-**	**-**	**10**	**10**

33.2. Movement for 2010/11

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011				
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	1,517	-	99	1,418
TOTAL INTANGIBLE CAPITAL ASSETS	**1,517**	**-**	**99**	**1,418**

34. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012					
	Opening balance	Curr Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	**150,501**	**(130)**	**99,006**	**-**	**249,377**
Non-residential buildings	150,412	(128)	99,006	-	249,290
Other fixed structures	89	(2)	-	-	87
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	**150,501**	**(130)**	**99,006**	**-**	**249,377**

34.1 Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012					
	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	**437,525**	**96,678**	**(437,525)**	**2,328**	**99,006**
Non-residential buildings	437,525	96,678	437,525	2,328	99,006
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	**437,525**	**96,678**	**(437,525)**	**2,328**	**99,006**

34.2. Movement for 2010/11

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011				
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	**150,997**	**(197)**	**299**	**150,501**
Non-residential buildings	150,908	(197)	299	150,412
Other fixed structures	89	-	-	89
TOTAL IMMOVABLE TANGIBLE ASSETS	**150,997**	**(197)**	**299**	**150,501**

The prior year figure for Non-residential buildings was adjusted due to the inclusion of Infrastructure projects completed – not yet transferred to Department of Public Works.

35. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF DEPARTMENT	GRANT ALLOCATION					SPENT			2010/11	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by department	Amount spent by department	% of available funds spent by department	Division of Revenue Act	Amount spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Health Professional and Training Grant	124,444	-	-	-	124,444	124,444	124,447	100%	117,400	117,400
Comprehensive HIV & AIDS Grant	530,440	2,879	-	-	533,319	533,319	456,532	86%	437,583	388,329
Hospital Revitalization Grant	417,883	27,577	-	-	445,460	445,460	405,515	91%	378,426	244,634
National Tertiary Services Grant	715,204	-	-	-	715,204	715,204	715,204	100%	659,469	659,469
Forensic Pathology Grant	39,451	-	-	-	39,451	39,451	38,475	98%	37,218	30,738
2012 WC Health Preparation Grant	-	-	-	-	-	-	-	-	1,804	1,804
Provincial Infrastructure Grant	-	-	-	-	-	-	-	-	90,000	58,344
Expanded Public Works Programme	-	-	-	15,586	15,586	15,586	11,481	74%	3,288	2,352
Infrastructure Grant to Provinces	-	-	-	4,237	4,237	4,237	3,543	84%	-	-
Health Infrastructure Grant	129,621	-	-	2,096	131,717	131,717	75,051	57%	-	-
	1,957,043	**30,456**	**-**	**21,919**	**2,009,418**	**2,009,418**	**1,830,248**	**-**	**1,725,188**	**1,503,070**

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

ANNEXURE 1A
STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2010/11
	Amount	Roll Overs	Adjust-ments	Total Available	Actual Transfer	% of Available funds Trans-ferred	Amount received by municipal-ity	Amount spent by municipality	% of available funds spent by muni-cipality	Total Available
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Fezile Dabi District Munici-pality	-	-	-	-	4,983	-	4,983	4,983	-	5,000
Free State Development Corporation	-	-	-	-	34,000	-	34,000	34,000	-	-
	-	**-**	**-**	**-**	**38,983**	**-**	**38,983**	**38,983**	**-**	**5,000**

ANNEXURE 1B
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2010/11
	Adjusted Appro-priation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Medical Trading Account – Capital Supplement	2,000	-	-	2,000	2,000	100%	2,000
	2,000	**-**	**-**	**2,000**	**2,000**		**2,000**

ANNEXURE 1C
STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2010/11
	Adjusted Appropria-tion Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	Current	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Private Enterprises									
Transfers									
PD–Claims against the state	-	-	-	-	1,669	-	-	-	1,747
PD – Donations & Gifts	-	-	-	-	2	-	-	-	-
TOTAL	**-**	**-**	**-**	**-**	**1,671**	**-**	**-**	**-**	**1,747**

ANNEXURE 1D
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITU-TIONS	TRANSFER ALLOCATION				EXPENDITURE		2010/11
	Adjusted Approp-riation Act	Roll overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Transfers to Non-Govern-mental Organization	70,581	-	-	70,581	53,236	75%	54,547
Total	**70,581**	**-**	**-**	**70,581**	**53,236**		**54,547**

ANNEXURE 1E
STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2010/11
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appro-priation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Leave Gratuity, Retirements benefits	8,482	-	-	8,482	11,920	141%	10,697
Bursaries (Non-employees)	20,034	-	-	20,034	20,640	103%	18,769
Total	**28,516**	**-**	**-**	**28,516**	**32,560**	**-**	**29,466**

ANNEXURE 1F

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2011/12 R'000	2010/11 R'000
Received in kind			
University of the Free State	*Various items*	15	6,348
Pep Store	*Blankets, Shoes*		17
Impact Hearing System	*Hearing Aids*	80	182
Carte Blanche	*Various items*		1,120
Elizabeth Glacier Paediatric	*Various items*		813
The Right to Care	*Various items*		506
Mr A Kelderman	*10 DVD Players*		2
Windmill Casino and Entertainment Centre	Various items	1 423	2,138
RotanyAnns Club and the Dutch Reformed Church	*Various items*		4
Ellerines Furniture	TV Sets		3
The Ukweza Holdings Pty Ltd & Sub Cleaning	Food		9
Hoogland Medi Clinic	4 Hospital beds		8
The Respiratory Care African Pty Ltd			0
The Hadley Goliath	Bubble Cap		100
The Dutch Reformed Church	Television, Play Sation and Games		5
The Bureau for the Blindness	Baby Necessities		11
MSH/SPS	50 Cataract Operations		70
Respiratory Care	Various items		20
Mr C Coetzee	Various items		2
Welkom Medi Clinic	Microwave		1
Mafura Infrastructure	35 Drip Stands		7
Path Care	3 Cows		30
IDC	Comfort Packs		4
Farmovs Parexel (PTY) Ltd	Statscan Machine		3,091
National Department of Health	1 Bone Densitometer	250	
Fresenius Kabi	Various items	29,143	
	16 Infusion pumps, 16 Syringes, TV and TV License	243	
World Vision of South Africa	15 Electronic Adult Scales	42	
Top Draw Health Care (PTY) Ltd	2 Ultrasound machines	127	
Dutch Reformed Church West	40 Toiletry Packs consist of different items	-	
TB FREE	Various items	20	
The Hemocue S.S. (PTY) Ltd	3 Glucose 201RT	19	
Boxer Ubuntu Project	Loose disposable nappies	2	
Bloem Show	560 Medium and Large Diapers	4	
Fresenius Medical Care	Medication	2,164	
Multi-ICU personnel	28L Kelvinator micro oven	1	

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2011/12 R'000	2010/11 R'000
Prof A Venter	Physiotherapy table Medical Standing Adj	25	
B. Brau Medical	2 Power Packs of dialog, dialysis machine	14	
Mr Fürstenburg	Renovation of the chapel	55	
Dr C.L. Barrett	1 Fax machine	1	
Nursing staff War 10A & University of the Free State	1 scale weighing baby, I fridge 225L Defy	4	
Eunice High School	Various items	12	
KZA Communication	4 binoculars, 4 tripod	3	
Old Mutual Group Scheme	Microwave, Lexmark printer/ copier		
Boxer Superstore, Sasko, Vodacom, Thaba Nchu Café		1	
Staff of Stoma Clinic	Microwave oven 27L	14	
Ward B-septic	Microwave oven LG		
Netcare	MedibankTraumabank software	1	
Fuchs Foundation/Dr J Kriel and Nursing/Carte Blanche	Various items	47	
Health Care Life Group	Various items	100	
Mr Norman Mokoena	1 Colour Television, 1 Electronic scale	37	
Beds of the Hope Trust at the University of the Free State	2 Vital signs monitor, 20 Phonol, consumables for BP machine	2	
Global Health Research Program University of B	1 Computer Dell Black Screen Monitor and Keyboard	6	
Johnson & Johnson	One Heat sealer	14	
American Anglo Company	Palisade Fence	715	
SUBTOTAL		**34,656**	**14,491**
TOTAL		**34,656**	**14,491**

ANNEXURE 1G
STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE	REVENUE	EXPENDITURE	CLOSING BALANCE
		R'000	R'000	R'000	R'000
Received in cash					
Ireland	Support to Primary Health Care Delivery and Capacity Building fund	11	-	11	-
Global AIDS	To develop and strengthen the TB and HIV and AIDS data monitoring at District level in the Free State Province	23	-	23	-
HWSETA	Skills development of employed and unemployed individuals through Learnerships, bursaries and internships	18	-	-	18
EU PDPHCP	To develop and strengthen co-operation between NGO's and the Department of Health	15, 214	15,213	30,427	-
TOTAL		**15 266**	**15 213**	**30,461**	**18**

ANNEXURE 2A
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2012 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2011	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2012	Guaranteed interest for year ended 31 March 2012	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Housing								
Standard Bank		30	30	-	-	-	30	-	-
Nedbank Limited	1	19	19	-	-	-	19	-	-
Firstrand Bank	1	290	290	-	83	-	207	-	-
ABSA	16	531	531	-	-	-	531	-	-
Unique finance	22	43	43	-	15	-	28	-	-
Peoples Bank FB	4	30	30	-	15	-	15	-	-
Nedbank Limited	2								
(NBS)		29	29	-	29	-	-	-	-
FNB – Former SA	2	74	74	-	-	-	74	-	-
Old Mutual (Ned-	3	55	55	-	33	-	22	-	-
bank)	4								
Hlano Financial		17	17	-	-	-	17	-	-
Services	3								
Green Start		129	129	-	104	-	25	-	-
TOTAL		**1,247**	**1,247**	**-**	**279**	**-**	**968**	**-**	**-**

The housing loan guarantees were restated due to a system error on Persal whereby the closing balance of 2010/2011 and the opening balance of 2011/2012 did not agree. In addition, FDC guarantees, as previously disclosed, is not regarded as contingent liabilities which resulted in a restatement of the 2010/2011 figure in respect there-of.

ANNEXURE 2B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2012

Nature of Liability	Opening Balance 1 April 2011	Liabilities incurred during the year	Liabilities paid/cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2012
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Medico Legal claims received pending	40,223	77,466	11,499		106,190
Claims against the State that has not been settled	3,521	5,941	2,270		7,192
TOTAL	**43,744**	**83,407**	**13,769**	**-**	**113,382**

ANNEXURE 3
CLAIMES RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011	31/03/2012	31/03/2011
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
National Department (SAP)	-	-	9	9	9	9
Department of Health: Northern Cape Province	4,502	-	-	4,502	4,502	4,502
Government Garage	-	-	9	-	9	-
TOTAL	**4,502**	**-**	**18**	**4,511**	**4,520**	**4,511**

Free State Department of Health
VOTE 5

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012

ANNEXURE 4
INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011	31/03/2012	31/03/2011
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
Department of the Premier	3,675	19	-	143	3,675	162
Department of Public Works	1,171	-	-	3,175	1,171	3,175
Department of Health: WC	61	-	31	-	92	-
Free State Government Garage	-	3,888	-	2	-	3,890
South African Police	-	9	-	-	-	9
PALAMA	-	-	-	114	-	114
Free State Agriculture & Rural Development	-	10	-	-	-	10
FSPG: Department of Education	-	15	-	-	-	15
FSPG: Corporate Governance & Tradition Affairs	-	7	-	-	-	7
Department of Health North West Province	-	60	-	-	-	60
Total	**4,907**	**4,008**	**31**	**3,434**	**4,938**	**7,442**

CENTRAL MEDICAL TRADING ACCOUNT

Audited Annual Financial Statements

for the year ended 31 March 2012

TABLE OF CONTENTS

General information	173
Statement of responsibility and approval	174
Report of the Auditor-General	175
Statement of Financial Position	178
Statement of Performance	179
Statement of Changes in Net Assets	180
Cash Flow Statement	181
Notes to the Annual Financial Statements	182

1. General Information

Domicile	South Africa
Registered name	Central Medical Trading Account
Nature of business and principle activities	The Central Medical Trading Account (hereinafter “depot”) is responsible for the supply of essential medicines and disposable surgical sundry items to provincial health care facilities in the Free State. The Depot operates as a trading depot and charges levies of 5 and 7 percent on stock issues to the provincial health care facilities.
Legal form of depot	Trading entity [as defined by the Public Finance Management Act (Act No. 1 of 1999) as amended by Act No. 25 of 1999].
Physical address	25 Blignaut Street Hilton Bloemfontein 9301
Postal address	P.O Box 7622 Bloemfontein 9300
Auditors	Auditor-General of South Africa
Bankers	Standard Bank of South Africa
Ultimate parent / Controlling entity	Free State Department of Health

2. Statement of responsibility and approval

The accounting officer is required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and is responsible for the content and integrity of the financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the financial statements fairly present the state of affairs of the depot as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the financial statements and was given unrestricted access to all financial records and related data.

The financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the depot and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the depot and all employees are required to maintain the highest ethical standards in ensuring the depot's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the depot is on identifying, assessing, managing and monitoring all known forms of risk across the depot. While operating risk cannot be fully eliminated, the depot endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management; that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the depot's cash flow forecast for the year to 31 March 2013 and, in the light of this review and the current financial position, he is satisfied that the depot has or has access to adequate resources to continue in operational existence for the foreseeable future.

The depot is wholly dependent on the department for continued funding of operations. The financial statements are prepared on the basis that the depot is a going concern and that the department has neither the intention nor the need to liquidate or curtail materially the scale of the depot.

In the opinion of the accounting officer, based on the information available to date, the annual financial statements fairly present the financial position of the depot at 31 March 2012 and the financial performance and cash flow information for the year then ended.

The annual financial statements for the year ended 31 March 2012, were submitted for auditing on 31 May 2012 and approved by the Accounting Officer in terms of section 40(1) (c) of the PFMA, 1999 (Act No. 1 of 1999), as amended and are signed on its behalf by:

ACCOUNTING OFFICER
FREE STATE DEPARTMENT OF HEALTH
Date: 31 July 2012

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

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Central Medical Trading Account set out on pages 178 to 209, which comprise the statement of financial position as at 31 March 2012, the statement of financial performance, statement of changes in net assets, the cash flow statement for the period then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

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

Auditor-general's responsibility

3. My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the General notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. 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 2012, and its financial performance and cash flows for the year then ended, in accordance with the SA Standards of GRAP and the requirements of the PFMA.

Emphasis of matter

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

Restatement of corresponding figures

8. As disclosed in notes 7 and 8 to the financial statements, the corresponding figures for 31 March 2011 have been restated as a result of an error discovered during year of 31 March 2012 in the financial statements of the Central Medical Trading Account at, and for the year ended, 31 March 2012.

Irregular expenditure

9. As disclosed in note 23 to the financial statements, irregular expenditure to the amount of R4 351 000 was incurred by the trading entity during the 2011-12 financial year of which an amount of R1 034 000 was not condoned during the year under review.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

10. In accordance with the PAA and the General notice issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

11. The predetermined objectives of the trading entity are included in the annual performance report of the Department of Health. The outcome of the audit of performance against predetermined objectives of the trading entity will be reported in the audit report of the Department of Health.

Compliance with laws and regulations

12. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations, as set out in the General notice issued in terms of the PAA, are as follows:

Audit committees

13. The audit committee did not review the institution's compliance with legal and regulatory provisions, as required by Treasury Regulation 3.1.10(f).

14. The audit committee did not review the adequacy, reliability and accuracy of the financial information provided to management and other users, as required by Treasury Regulation 3.1.10(d).

15. The audit committee did not review the effectiveness of the internal audit function and the coordination between the internal audit function and the external auditors, as required by Treasury Regulation 3.1.10(b) and (g).

16. The audit committee did not consist of at least three members for the entire financial year under review, as required by section 77(a) of the PFMA and Treasury Regulation 3.1.6.

Internal audit function

17. The internal audit function did not submit reports, detailing the performance against the annual internal audit plan, to the audit committee every quarter, as required by Treasury Regulation 3.2.7(d).

18. The internal audit function did not assess the operational procedure and monitoring mechanisms over all transfers made and received, including transfers in terms of the annual DoRA, as required by Treasury Regulation 3.2.8.

19. The internal audit function did not evaluate the effectiveness and efficiency of controls and did not make recommendations for their enhancement and improvement, as required by Treasury Regulation 3.2.11(a).

20. The internal audit function did not evaluate the reliability and integrity of financial and operational information, as required by Treasury Regulation 3.2.11(b).

21. The internal audit function did not evaluate compliance with laws and regulations, as required by Treasury Regulation 3.2.11(e).

Expenditure management

22. The accounting officer did not always take effective steps to prevent irregular expenditure, as required by section 38(1)(c)(ii) of the PFMA and Treasury Regulation 9.1.1.

23. Contractual obligations and money owed by the trading entity were not always settled within 30 days or an agreed period, as required by section 38(1)(f) of the PFMA and Treasury Regulation 8.2.3.

Internal control

24. I considered internal control relevant to my audit of the financial statements and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the findings on compliance with laws and regulations included in this report.

Leadership

25. The accounting officer does not exercise continuous oversight responsibility over compliance with laws and regulations and the monitoring of the effectiveness of internal control measures, at the trading entity.

Financial and performance management

26. The financial statements were subjected to material corrections resulting from the audit process, which are attributable to weaknesses in the design and implementation of internal control in respect of financial management and financial reporting and weaknesses in the information systems of the trading entity.

Auditor-General

Bloemfontein
31 July 2012

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2012

	Note	2012 R'000	2011 R'000
ASSETS			
Non current assets		**1,667**	**1,429**
Property, plant and equipment	2	1,667	1,429
Current assets		**135,455**	**99,423**
Inventory	3	51,489	48,709
Receivables from exchange transactions	4	81,348	45,928
Cash and cash equivalents	5	2,618	4,786
TOTAL ASSETS		**137,122**	**100,852**
EQUITY			
Capital and reserves		**52,437**	**65,291**
Accumulated surplus		52,437	65,291
TOTAL EQUITY		**52,437**	**65,291**
LIABILITIES			
Non current liabilities		-	-
Bridging finance from Provincial Revenue Fund	6	-	-
Current liabilities		**84,685**	**35,561**
Payables from exchange transactions	7	82,076	33,274
Provisions	8	2,609	2,287
TOTAL LIABILITIES		**84,685**	**35,561**
TOTAL EQUITY AND LIABILITIES		**137,122**	**100,852**

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2012

	Note	2012 R'000	2011 R'000
Revenue			
Non exchange revenue		2,000	2,000
- Transfers and subsidies	9	2,000	2,000
Exchange revenue		430,439	395,077
- Sale of goods and rendering of services		424,152	387,876
- Interest received	10	5,405	5,362
- Other incomes	11	882	1,839
Total revenue		**432,439**	**397,077**
Expenditure			
Compensation of employees	12	(18,061)	(13,657)
Goods and services	13	(422,402)	(358,205)
Interest paid	14	(4,487)	(3,347)
Depreciation and impairment		(344)	(367)
Total expenditure		**(445,294)**	**(375,576)**
Surplus/(Deficit) for the year		**(12,855)**	**21,501**

STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2012

	Note	Accumulated Surplus	Total
		R'000	R'000
Accumulated surplus			
Opening balance as restated		43,928	43,928
Opening balance as at 1 April 2010		43,872	43,872
Prior year errors correction	25.1	56	56
Transfers to/(from) reserves		-	-
Net profit for the year		21,501	21,501
Closing balance as at 31 March 2011		**65,429**	**65,429**
Opening balance as restated		65,292	65,292
Opening balance as at 1 April 2011		65,429	65,429
Prior year errors correction	25.2	(137)	(137)
Net profit for the year		(12,855)	(12,855)
Closing balance as at 31 March 2012		**52,437**	**52,437**

CASH FLOW STATEMENT
for the year ended 31 March 2012

	Note	2012 R'000	2011 R'000
Cash flows from operating activities			
Cash receipts		437,892	401,669
Transfers and subsidies		2,000	2,000
Other receipts		435,892	399,669
Cash payments		(439,478)	(392,192)
Compensation of employees	12	(18,341)	(13,657)
Suppliers and other		(421,137)	(378,535)
Net cash flows from operating activities	15	**(1,586)**	**9,477**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(582)	(298)
Proceeds from the sale of assets		-	-
Net cash flows from investing activities		**(582)**	**(298)**
Cash flows from financing activities			
Repayment of bridging finance from Treasury	6	-	(7,665)
Net cash flows from investing activities		**-**	**(7,665)**
Net (decrease)/increase in cash and cash equivalents		**(2,168)**	**1,514**
Cash and cash equivalents at the beginning of the year		**4,786**	**3,272**
Cash and cash equivalents at the end of the year	5	**2,618**	**4,786**

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

Standards of GRAP issue but not yet effective
At the date of issue of these financial statements, the following accounting standards of GRAP were approved by the Board but its effective date has not yet been determined by the Minister of Finance:

GRAP 20: Related Party Disclosures
GRAP 25: Employee Benefits
GRAP 105: Transfers of Functions Between Entities Under Common Control
GRAP 106: Transfers of Functions Between Entities Not Under Common Control
GRAP 107: Mergers

The effective date of the above standards is not yet determined. The effect of adopting these GRAP standards when they become effective is not expected to have a significant impact on the financial statements as the principles are similar to those already applied under the equivalent Statement of South African Generally Accepted Accounting Practices (SA GAAP).

These financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied, are disclosed below.

These accounting policies are consistent with the previous period, except for the changes set out in ***Note 18: First time adoption of Standards of GRAP.***

1.1. Significant judgements, estimates and assumptions

In preparing the annual Financial Statements, management is required to make estimates and assumptions that affect the amounts represented in the annual Financial Statements and related disclosures. Use of available information and the application of judgement are inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual Financial Statements. Significant judgements include:

Trade and other receivables
The Central Medical Trading Account assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the Central Medical Trading Account, makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset. The impairment for trade receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Impairment testing
The recoverable (service) amounts of individual assets and cash-generating units have been determined based on the higher of value in use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. Central Medical Trading Account reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, estimates are prepared of the recoverable service amount of each asset.

Provisions
Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 8 - Provisions.

Useful lives of property, plant and equipment, software and development costs
The Central Medical Trading Account's management determines the estimated useful lives, residual value and related depreciation charges for property, plant and equipment, software and development costs. This estimate is based on the pattern in which

an asset's future economic benefits or service potential are expected to be consumed by the entity.

Effective interest rate and deferred payment terms
The Central Medical Trading Account uses an appropriate interest rate, taking into account guidance provided in the accounting standards, and applying professional judgement to the specific circumstances, to discount future cash flows.

1.2 Property, Plant and Equipment

Property, plant and equipment are tangible non-current assets that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognized as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the Central Medical Trading Account; and
- the cost or fair value of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Subsequently, it is stated at historical cost less accumulated depreciation and impairment. 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 financial year.

Where an item of property, plant and equipment is acquired at no cost, or for a nominal cost, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired non-monetary asset's fair value is not determinable, it is deemed cost is the carrying amount of the asset given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent to initial measurement property, plant and equipment are depreciated on a straight line basis over their expected useful lives to their expected residual values. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets, or where shorter, the term of the relevant lease. Depreciation commences when the asset is ready for its intended purpose. The useful lives of items of property, plant and equipment have been assessed as follows:

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

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

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.

Items of property, plant and equipment are derecognized on disposal, or when no future economic benefits or service potential are expected from its use or disposal. The gain or loss arising from the de-recognition of an item property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item. Such difference is recognized in surplus or deficit, when the item is de-recognised.

Transitional provision
The Central Medical Trading Account changed its accounting policy for property, plant and equipment in 2012. The change in accounting policy is made in accordance with the transitional provision as per Directive 2 of the GRAP Reporting Framework.

According to the transitional provision, the Central Medical Trading Account is not required to measure property, plant and equipment for reporting periods beginning on or after a date within three years following the date of initial adoption of the Standard of GRAP on Property, plant and equipment. Property, plant and equipment which are fully written off and recorded at nominal carrying value of zero have accordingly been recognised at provisional amounts, as disclosed in note 2. The transitional provision expires on 30 March 2014.

The exemption from applying the measurement requirements of the Standard of GRAP on Property, plant and equipment implies that any associated presentation and disclosure requirements need not be complied with for property, plant and equipment not measured in accordance with the requirements of the Standard of GRAP on Property, plant and equipment.

1.3 Inventory

Inventories are initially measured at cost except where inventories are acquired at no cost, or for nominal consideration, and then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

The cost of inventories is determined using the weighted average cost method. The same cost formula is used for all inventories having a similar nature and use to the entity.

The expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognized as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.4 Impairment

At each reporting date, the Central Medical Trading Account reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets may be impaired. For the year under review no impairments were done. Assets that may not be efficiently utilised for their intended use were disposed of. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount for an individual asset, the recoverable amount is determined for the cash generating unit to which the asset belongs.

If the recoverable amount of an asset (cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are immediately recognised as an expense, unless the relevant asset is carried at a revalued amount under another standard, in which case the impairment loss is treated as a revaluation decrease under the standard.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years.

1.5 Financial instruments

Initial recognition
The Central Medical Trading Account classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial assets and financial liabilities are recognised on the Central Medical Trading Account's Statement of Financial Position when the Central Medical Trading Account becomes party to contractual provisions of the instrument.

Financial instruments recognised on the Statement of Financial Position include trade and other receivables, cash and cash equivalents and trade and other payables.

Trade and other receivables
Trade and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method less any impairment. Impairment is determined on a specific basis, whereby each asset is individually assessed for impairment indicators. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired.

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

Cash and cash equivalents
Cash and cash equivalents comprise cash at registered commercial bank and cash on hand are stated at amortised cost, which, due to their short-term nature, closely approximate their fair value.

Gains and losses
A gain or loss from a change in a financial asset or financial liability is recognised as follows:
- Gains and losses on trade and other receivables and cash and cash equivalents are recognized in income when receivables are de-recognised or impaired.
- Gains and losses on trade and other payables are recognised in surplus or deficit when liabilities are de-recognised.

De-recognition
Financial assets
Financial assets (or part thereof) are de-recognised when the entity realises the rights to benefits specified in the contract, the right expires, or the Central Medical Trading Account surrenders or otherwise loses control of the contractual rights that comprise the financial asset.

The rights to receive cash flows from the asset have expired; the entity retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without any material delay to a third party under a 'pass-through' arrangement; or, the entity has transferred its rights to receive cash flows from the asset and either has transferred substantially all the risks and rewards of the asset; or has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Financial liabilities
Financial liabilities (or part thereof) are de-recognised when the obligation specified in the contract is discharged, cancelled or expired.

Impairment of financial instruments
The entity assesses on each reporting date whether a financial asset of the entity is impaired. Impairments are made when there is objective evidence that cash flows from specific financial assets would not materialise. Cash flow values estimated not to materialise are impaired. The amount of the impairment is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. The amount of the impairment is recognised in the Statement of financial performance.

Off-setting of financial instruments
Financial assets and financial liabilities are offset, if a legally enforceable right exists to set off financial assets against financial liabilities and the financial instrument relate to the same entity.

1.6. Provisions

Provisions are recognised when:
- the entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date. Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

The entity has a contract that is onerous; the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

1.7. Revenue from exchange transactions

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Rendering of services
When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the Central Medical Trading Account;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Interest
Revenue arising from the use by others of entity assets yielding interest, royalties and dividends is recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the Central Medical Trading Account; and the amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method. When a receivable is impaired, the Central Medical Trading Account 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 continues unwinding the discount as interest income.

Revenue from sale of goods
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 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.

1.8 Revenue from non-exchange transactions

The transfer from the controlling entity is recognised when it is probable that future economic benefits will flow to the Central Medical Trading Account and when the amount can be measured reliably. A transfer is recognised as revenue to the extent that there is no further obligation arising from the receipt of the transfer payment.

Transfers
Apart from Services in kind, which are not recognised, the Central Medical Trading Account recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Gifts and donations, including goods in-kind
Gifts and donations, including goods in-kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the Central Medical Trading Account and the fair value of the assets can be measured reliably.

Services in-kind
Services in-kind are not recognised.

1.9 Compensation of employees

Short-term employee benefits
Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

The cost of all short-term employee benefits is recognised during the period in which the employee renders the related service.

The expected cost of compensated absences is recognized as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The Central Medical Trading Account measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognises the expected cost of bonus; incentive and performance related payments when the Central Medical Trading Account has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative, but to make the payments.

Provision for employee benefits
Provisions are recognised when the Central Medical Trading Account has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the obligation. All the provisions of the Central Medical Trading Account are short-term in nature and thus ignore the effect of discounting.

Post-retirement employee benefits
The Central Medical Trading Account operates a defined contribution plan for its employees and is not liable for any actuarial loss sustained by the Government Employees Pension Fund. Accordingly, no provision has been made for any such losses and contributions paid are expensed.

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

1.10 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership; while a lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases - lessee
Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the effective interest rate at the reporting date.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Operating leases - lessee
Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.11 Related Party

A party is related to the Central Medical Trading Account if directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under control with the Central Medical Trading Account has an interest in the entity that gives it significant influence over the Central Medical Trading Account.

Key management is defined as being individuals with the authority and responsible for planning, directing and controlling the activities of the Central Medical Trading Account, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions. Central Medical Trading Account regards all individuals at senior management as key management per the definition of the financial reporting standard.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the Central Medical Trading Account. Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

1.12 Taxation

In terms of section 10.1 of the Income Tax Act, Act Number 59 of 1962, the Central Medical Trading Account, as a government institution, is not liable for any income taxation. Employees tax is paid over to SARS at the time when the employee benefits are payable.

1.13 Irregular Expenditure

Irregular expenditure occur when expenditure is incurred in contravention with of or that is not in accordance with a requirement of any applicable legislation including the PFMA and non-compliance with one or more of the entity's supply chain procedures.

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

1.14 Fruitless and wasteful expenditure

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

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

1.15 Comparative figures

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current period, the correction is made retrospectively as far as is practicable, and the prior period comparatives are restated accordingly. Where there has been a change in accounting policy in the current period, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.16. Budget information

The Central Medical Trading Account is consequently subject to the budgetary limits in the form of budget allocation towards the Free State Department of Health, which in turn will procure its pharmaceutical and medical consumables from this trading entity.

A statement of comparison of budget and actual amounts and reconciliation have been included in the annual financial statements, as the annual financial statements and the budget are not on the same basis of accounting.

2. Property, plant and equipment	2012			2011		
	Cost/ Valuation	Accumulated depreciation and impairment	Carrying value	Cost/ Valuation	Accumulated depreciation and impairment	Carrying value
Motor vehicles	499	(499)	-	499	(450)	49
Office equipment	1,234	(1,133)	101	1,160	(1,104)	56
Computer equipment	3,056	(1,742)	1,314	2,832	(1,508)	1,324
Other property, plant and equipment	381	(129)	252	96	(96)	-
Total	**5,170**	**(3,503)**	**1,667**	**4,587**	**(3,158)**	**1,429**

Reconciliation of property, plant and equipment - 2012	Opening balance	Additions	Depreciation	Total
Motor vehicles	49	-	(49)	-
Office equipment	56	74	(29)	101
Computer equipment	1,324	224	(234)	1,314
Other property, plant and equipment	-	284	(32)	252
	1,429	**582**	**(344)**	**1,667**

Reconciliation of property, plant and equipment - 2011	Opening balance	Additions	Depreciation	Total
Motor vehicles	124	-	(75)	49
Office equipment	101	14	(59)	56
Computer equipment	1,274	283	(233)	1,324
Other property, plant and equipment	-	-	-	-
	1,499	**297**	**(367)**	**1,429**

Office equipment was reduced with an R96 000, due to reclassification of commercial refrigerator to other property, plant and equipment.

A register containing the detail information of property, plant equipment is available for inspection at the registered office of the Central Medical Trading Account.

Transitional provisions
Property, plant and equipment recognised at provisional amounts

The Central Medical Trading Account has made use of the transitional provision for GRAP 17: Property plant and equipment, included in Directive 2 for the measurement of its property, plant and equipment. The property, plant and equipment to the value of R 3 073 000 (2010: R 2 654 000) are fully depreciated and have been recorded at a nominal carrying value of zero, i.e. provisional amounts. Steps taken to establish the values of the property, plant and equipment recognised at provisional amounts due to the initial adoption of GRAP 17, are as follows: A valuator has been contracted to perform a valuation in the next financial year of all the property, plant and equipment that could not be valued.

The Central Medical Trading Account expects to fully comply with the measurement requirements of GRAP 17: Property plant and equipment, in the next financial period.

	Note	2012 R'000	2011 R'000
3. Inventory			
Medical inventory		46,067	42,474
Consumables		4,807	5,688
Hospital stationery		615	547
Inventory on hand		**51,489**	**48,709**

The valuation method in use is the weighted average cost method. There were no impairment of inventory raised at 31 March 2012 (2011 –Nil). Management has assessed impairment at year end individually and based on this assessment no impairment of inventory has been raised.

Breakages	8	31
Expired inventory	223	278
	231	**309**

Stock shortages of R2,153,000 (2011: R1,815,000) and stock surpluses of R759 (2011: R2,151,000) were recognised during the year. Damaged and obsolete stock is excluded from the total inventory value shown.

4. Receivables from exchange transactions

Trade receivables	4.1	81,241	45,762
Interest receivable		51	52
Staff debtors		62	99
Salary debt		(6)	15
Financial assets	**17**	**81,348**	**45,928**

Trade receivables that are more than 30 days past due is not considered impaired. Payments are received regularly within 30 days from the Free State Department of Health.

	Note	2012 R'000	2011 R'000
4.1 Trade receivables			
Trade receivables at amortised cost		81,981	46,268
Less: Adjustment for deferred payment terms		(740)	(506)
Trade and other receivables after deferred payment terms		**81,241**	**45,762**

The adjustment for deferred payment terms are based on cash flows adjusted using the prime interest rate of 8.50% as at 31 March 2012.

5. Cash and cash equivalent

Bank current account		2,614	4,783
Cash on hand		4	3
Financial assets	**17**	**2,618**	**4,786**

Cash and cash equivalents earn interest at floating rates based on daily bank deposit rates.

6. Bridging finance from Provincial Revenue Fund

Opening balance		-	7,665
Repayment during the current year		-	(7,665)
Financial liabilities	**17**	-	-

The amount of R7 665 000 from the Provincial Revenue Fund (PRF) is the bridging finance loan provided by the Provincial Treasury. The amount carried no interest and was refundable on request. The initial capital amount from Provincial Treasury was R22 995 000, it was agreed that the amount to be repaid in three instalments beginning from the year 2009 and the last payment would be in October 2010. Thus the final balance of R7 665 000 was settled during the 2011 as agreed.

	Note	2012 R'000	2011 R'000
7. Payables from exchange transactions			
Trade payables	7.1	78,719	32,124
Sundry creditors	7.1	3,357	1,150
Short-term portion of bridging finance from the PRF		-	-
Financial liabilities	**17**	**82,076**	**33,274**

The final balance of R7 665 000 was settled during the year 2011 as agreed and further details are disclosed in note 6 above. An amount of R1 150 000 was reclassified from trade payables to sundry creditors as disclosed the prior year.

7.1 Trade payables and sundry creditors

Trade payables and sundry creditors at amortised cost	82,663	33,507
Less: Adjustment for deferred payment terms	(588)	(233)
Trade and other payables after deferred payment terms	**82,076**	**33,274**

The adjustment for deferred payment terms are based on cash flows adjusted using the prime interest rate of 8.50% as at 31 March 2012.

8. Provisions

Leave accrual	1,740	1,641
Performance bonus accrual	247	188
Service bonus accrual	622	458
	2,609	**2,287**

Reconciliation of provisions - 2012				
	Opening balance	Additional provision	Utilised during the year	Total
Leave accrual	1,641	99	-	1,740
Performance bonus accrual	188	247	(188)	247
Service bonus accrual	458	622	(458)	622
	2,287	**968**	**(646)**	**2,609**

Reconciliation of provisions - 2011				
	Opening balance	Additional provision	Utilised during the year	Total
Leave accrual	1,327	314	-	1,641
Performance bonus accrual	230	188	(230)	188
Service bonus accrual	330	458	(330)	458
	1,887	**960**	**(560)**	**2,287**

The leave pay provision represents the potential liability in respect of leave outstanding; while the bonus pay provision represents the potential liability in respect of 13th cheques to be paid out and the performance bonus represents the potential liability in respect of bonuses for the performance cycle ending 31 March 2012.

	Note	2012 R'000	2011 R'000
9. Transfers and subsidies			
Transfer payment from controlling entity		2,000	2,000
		2,000	**2,000**
10. Interest received			
Interest from contractual staff debts		7	-
Interest from short term bank deposits		529	413
Notional interest – deferred payment terms on receivables		4,869	4,949
		5,405	**5,362**

	Note	2012 R'000	2011 R'000
11. Other incomes			
Inventory surplus		759	1,815
Sundries		108	12
Commission received		15	12
		882	**1,839**
12. Compensation of employees			
12.1 Salaries and wages			
Basic salary		11,906	9,277
Performance bonus		247	230
13th Cheques		1,002	784
Housing allowance		741	523
Overtime payments		430	97
Leave pay		99	9
Other non-pensionable allowance		849	712
Total salaries and wages		**15,274**	**11,632**
12.2 Social contributions by employer			
Pension		1,583	1,165
Medical		1,107	789
Bargaining council		5	4
Total social contributions by employer		**2,695**	**1,958**
12.3 Post-employment benefits		**92**	**67**
Total compensation of employees		**18,061**	**13,657**

The comparative figures of salaries and wages were restated by reclassifying the employer contributions to pension fund and bargaining council to the social contributions by employer; and also by showing post- employment benefits separately.

	Note	2012 R'000	2011 R'000
13. Goods and services			
Administrative fees		10	53
Assets less than capitalisation threshold		107	9
Audit cost		2,080	2,056
Bursaries (employees)		-	2
Communication		229	240
Computer services		1,721	1,409
Consultants, contractors and agency/ outsourced services		63	886
Inventory consumed		412,628	349,178
Maintenance, repairs and running costs		319	128
Operating leases		2	7
Owned and leasehold property expenditure		1,555	1,274
Transport costs		3,490	2,908
Travel and subsistence		31	46
Training and staff development		67	-
Other operating expenditure		100	9
		422,402	**358,205**

The expenses have been reclassified by nature, in order to be consistent with the government economic reporting framework.

14. Interest paid

Interest paid on overdue accounts	-	3
Notional interest – deferred payment terms on payables	4,487	3,344
	4,487	**3,347**

The adjustment for deferred payment terms are based on cash flows adjusted using the prime interest rate of 8.50% as at 31 March 2012.

	Note	2012 R'000	2011 R'000
15. Cash/ (cash deficit) generated from operations			
Net profit		**(12,855)**	**21,501**
Adjusted for:		**344**	**367**
Depreciation		344	367
Changes in working capital		**10,925**	**(12,391)**
Decrease/(increase) in inventories		(2,780)	(12,973)
Decrease/(increase) in trade receivables		(35,419)	9,929
Increase/(decrease) in trade payables		49,124	(9,347)
		(1,586)	**9,477**

16. Operating lease arrangement

No contract existed for the duration of the financial year; the photocopy services were obtained on quotations on monthly basis. The actual expenditure incurred is shown as irregular expenditure, as shown in Note 23.2 below.

17. Contingent liabilities

State guarantees are in respect of housing loans of employees with financial institutions. The housing guarantees balance at 31 March 2011 amounted to R nil (R nil: 2011).

18. First adoption of Standards of GRAP

The Central Medical Trading Account reported Statement of South African Generally Accepted Accounting Practices (SA GAAP) in the previous year. On principle, the standards of GRAP adopted in the current year have been applied retrospectively and the 2011 comparatives contained in these annual financial statements differ from those published in the annual financial statements published for the year ended 31 March 2011.

The date of transition was 1 April 2011 and the effect of the transition was as follows.

Reconciliation of net assets at 31 March 2011				
	Notes	As reported under SA GAAP	Effects of transition to GRAP	GRAP
Property, plant and equipment	2	1,429	-	1,429
Total non-current assets		**1,429**	**-**	**1,429**
Inventory	3	48,709	-	48,709
Trade and other receivables	4	45,928	-	45,928
Cash and cash equivalents	5	4,786	-	4,786
Total current assets		**99,423**	**-**	**99,423**
Trade and other payables	7	35,561	(2,287)	33,274
Provisions	8	-	2,287	2,287
Total liabilities		**35,561**	**-**	**35,561**
Total assets less total liabilities		**65,291**	**-**	**65,291**
Accumulated surplus		**65,291**	**-**	**65,291**

Reconciliation of net assets at 31 March 2012				
	Notes	As reported under SA GAAP	Effects of transition to GRAP	GRAP
Property, plant and equipment	2	-	1,667	1,667
Total non-current assets		**-**	**1,667**	**1,667**
Inventory	3	-	51,489	51,489
Trade and other receivables	4	-	81,348	81,348
Cash and cash equivalents	5	-	2,618	2,618
Total current assets		**-**	**135,455**	**135,455**
Trade and other payables	7	-	82,076	82,076
Provisions	8	-	2,609	2,609
Total liabilities		**-**	**84,685**	**84,685**
Total assets less total liabilities		**-**	**52,437**	**52,437**
Accumulated surplus		**-**	**52,437**	**52,437**

Notes:

Changes in trade and other payables

The leave accrual and service bonus accrual were previously as part of trade and other payables on the face of the Statement of Financial Position. In terms of GRAP 1 all assets and liabilities should be presented broadly in order of their liquidity.

Reconciliation of surplus or deficit - 2011				
	Notes	As reported under SA GAAP	Effects of transition to GRAP	GRAP
Revenue		387,876	(387,876)	-
Non exchange revenue				
- Transfers and subsidies	9	-	2,000	2,000
Exchange revenue				
- Sale of goods and rendering of services		-	387,876	387,876
- Interest received	10		5,362	5,362
- Other incomes	11		1,839	1,839
Total revenue		**387,876**	**9,201**	**397,077**
Cost of sales		**(346,212)**	**346,212**	**-**
Other incomes		**8,788**	**(8,788)**	**-**
Administrative expenses		(17,742)	17,742	-
Other operating expenses		(11,622)	11,622	-
Compensation of employees	12	-	(13,657)	(13,657)
Goods and services	13	-	(358,205)	(358,205)
Interest paid	14	-	(3,347)	(3,347)
Depreciation		-	(367)	(367)
Total expenditure		**(29,364)**	**(346,212)**	**(375,576)**
Finance income		**413**	**(413)**	**-**
Surplus/(Deficit) for the year		**21,501**	**-**	**21,501**
Accumulated surplus		**65,291**	**-**	**65,291**

Notes:
Changes in revenue

The broader definition of revenue covers the revenue from exchange and non-exchange transactions. The revenue from exchange transactions include rendering of services, sale of goods and the use of others entity assets yielding interest, royalties and dividends; while the revenue from non-exchange revenue include taxes, transfers, grants and donations.

Therefore, the revenue amount was categorised into exchange and non-exchange, resulting into other incomes and finance income being classified under revenue on the face of the statement of financial performance.

Changes in cost of sales

The cost of sales has been classified under Goods and services according to its nature and not function as previously reported, in order to be consistent with the departmental economic reporting framework.

Changes in administrative and operating expenses

The administrative and operating expenses have been classified under compensation of employees, goods& services and depreciation according to their nature and not function as previously reported, in order to be consistent with the departmental economic reporting framework.

Reconciliation of surplus or deficit - 2012				
	Notes	As reported under SA GAAP	Effects of transition to GRAP	GRAP
Non exchange revenue				
- Transfers and subsidies	9	-	2,000	2,000
Exchange revenue				
- Sale of goods and rendering of services		-	424,152	424,152
- Interest received	10		5,405	5,405
- Other incomes	11		882	882
Total revenue		**-**	**432,439**	**432,439**
Compensation of employees	12	-	(18,061)	(18,061)
Goods and services	13	-	(422,402)	(422,402)
Intrest paid	14	-	(4,487)	(4,487)
Depreciation		-	(344)	(344)
Total expenditure		**-**	**(445,294)**	**(445,294)**
Surplus/(Deficit) for the year		**-**	**(12,855)**	**(12,855)**
Accumulated surplus		**-**	**52,437**	**52,437**

19. Related parties

19.1 Controlling entity – Free State Department of Health

The Central Medical Central Medical Trading Account provides medicines and medical consumables to the Free State Department of Health at cost plus 7%. A 5% levy is charged for direct deliveries.

	2012 R'000	2011 R'000
Revenue received/ (paid)	**2012 R'000**	**2011 R'000**
Transfers and subsidies	2,000	2,000
Sale of goods and services other than capital assets	429,556	390,548
Total	**431,556**	**392,548**

The amount reflected above does not agree with the revenue amount in the income statement as the amounts in the income statement reflect the net revenue after discounting of sales and receivables was applied.

The balance between the Central Medical Central Medical Trading Account and the Related Party, is as follows:

Receivables from related party	81,301	45,374
Total	**81,301**	**45,374**

The debit balance of R81,301,000 (R 45,374,000: 2011) as reflected above is disclosed before deferred payment terms was taken into account.

19.2 Key Management Compensation

The Central Medical Central Medical Trading Account and Department of Health have the same key management. Refer to note 29 in the financial statements of the Department of Health for details on the remuneration of key management.

19.3 Other related parties

The Department of Public Works render services on the administration of infrastructure contracts and provides accommodation of premises free of charge to the Central Medical Trading Account.

The Central Medical Trading Account utilises the computer software packages procured by and licenced to National Treasury, namely BAS, PERSAL and LOGIS; while the National Department of Health provided MEDSAS systems and the licensing costs thereof.

By virtue of the fact that the Central Medical Central Medical Trading Account is a Central Medical Trading Account and controlled by the Free State Department of Health, any other controlled entity of the national government is a related party. All transactions with such entities are at arm's length and on normal commercial terms, except where employees of national departments or national public entities participate in the Central Medical Trading Account's processes and do not receive any remuneration.

20. Financial instruments

Financial instruments consist of receivables, cash and cash equivalents and payables. All financial assets are categorised as receivables at fair value and all financial liabilities at fair value. The total carrying values of the various categories of financial assets and financial liabilities at the reporting date are as follows:

	Note	2012 R'000	2011 R'000
Receivables from exchange transactions	4	81,348	45,928
Cash and cash equivalents	5	2,618	4,786
Financial assets		**83,966**	**50,714**
Bridging finance from Provincial Revenue Fund	6	-	-
Payables from exchange transactions	7	82,076	33,274
Financial liabilities		**82,076**	**33,274**

Credit risk

Financial assets, which potentially subject the Central Medical Trading Account to the risk of non-performance by counter parties, consist mainly of cash and receivables from exchange transactions, consisting trade receivables, accrued interest income and staff debtors.

Cash and deposits are held with an AA-rated registered banking institution and are regarded as having insignificant credit risk.

Liquidity risk

The Central Medical Trading Account is only exposed to liquidity risk with regard to the payment of its trade payables. These trade payables are all due within the short-term. The Central Medical Trading Account manages its liquidity risk by holding sufficient cash in its bank account.

Interest rate risk

The receivables from exchange transactions are exposed to an insignificant amount of interest rate risk. And cash in the savings account is kept at a maximum in order to maximise interest earned on any cash.

Currency risk

The Central Medical Trading Account does not transact with any supplier or customer outside the South African borders and this risk is therefore not directly applicable. However, this risk arises as suppliers purchase raw material from international suppliers which is subject to foreign exchange rate fluctuations. Suppliers therefore request, through an application to either National Treasury (State Tender Board) for a price adjustment based on the fluctuation of foreign exchange rates.

21. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

22. Events after the reporting date

There were no significant events between the financial year end and the date of this report that warranted adjustment to or disclosure in the annual financial statements.

23. Irregular expenditure

	2012 R'000	2011 R'000
23.1 Reconciliation of irregular expenditure		
Opening balance	1,784	-
Irregular expenditure – current year	4,351	1,797
Irregular expenditure condoned	(5,101)	(13)
Irregular expenditure awaiting condonement	**1,034**	**1,784**
Analysis of awaiting condonation per age classification		
Current year	1,034	1,784
Prior years	-	-
Total	**1,034**	**1,784**

23.2 Details of irregular expenditure – current year

A competitive bidding process was not followed after the departmental contracts expired, on the following:

Incident	Disciplinary steps taken/ criminal proceedings	2012 R'000
(i) Distribution of pharmaceuticals and medical consumables	Condoned	3,246
(ii) Distribution of pharmaceuticals and medical consumables	Under investigation	1,021
(iii) Maintenance service of warehouse air conditioning	Condoned	51
(iii) Maintenance service of warehouse air conditioning	Under investigation	13
(iv) Rental of photocopy machine	Condoned	5
(v) Barcoding of assets	Condoned	15
Total		**4,351**

23.3 Details of irregular expenditure condoned

A competitive bidding process was not followed after the departmental contracts expired, on the following:

Incident	Condoned by (condoning authority)	2012 R'000
1) Distribution of pharmaceuticals and medical consumables	Accounting Officer	5,030
2) Maintenance of warehouse central air conditioning system	Accounting Officer	51
3) Rental of photocopy machine	Accounting Officer	5
4) Barcoding of assets	Accounting Officer	15
Total		**5,101**

23.4 Details of irregular expenditure under investigation

1) Distribution of pharmaceuticals and medical consumables	1,021
2) Maintenance of warehouse central air conditioning system	13
Total	**1,034**

24. Fruitless & Wasteful expenditure

	2012 R'000	2011 R'000
24.1 Reconciliation of fruitless and wasteful expenditure		
Opening balance	201	-
Fruitless and wasteful expenditure – current year	175	204
Fruitless and wasteful expenditure condoned	(376)	(3)
Transfer to receivables for recovery	-	-
Fruitless and wasteful expenditure awaiting condonement	**-**	**201**
Analysis of awaiting condonation per age classification		
Current year	-	201
Prior years	-	-
Total	**-**	**201**

24.2 Details of fruitless and wasteful expenditure – current year

Incident	Disciplinary steps taken/ criminal procedures	2012 R'000
1) Administrative costs resulting from Fleet Management arrangement	Condoned	28
2) Penalty and interest charged on overdue SARS account	Condoned	23
3) Loss written off resulting Fleet Management arrangement	Condoned	124
Total		**175**

24.2 Details of fruitless and wasteful condoned

Incident	Condoned by (condoning authority)	2012 R'000
1) Administrative costs resulting from Fleet Management arrangement	Accounting Officer	229
2) Penalty and interest charged on overdue SARS account,	Accounting Officer	23
3) Loss written off resulting Fleet Management arrangement	Accounting Officer	124
Total		**376**

25. Correction of prior year error

25.1 Staff debts written off and intra-departmental claim

	2012 R'000	2011 R'000
Trade and other payables - rounding off error on provisions	-	1
Trade and other receivables – staff debts written off	-	(5)
Trade and other receivables – salary paid to FSDoH personnel	-	60
Net effect on accumulated surplus	**-**	**56**

During 2010, staff debts amounting to R5 000 were found to be irrecoverable, and were subsequently written off against the accumulated profits. One official was earmarked for transfer from the department to Central Medical Trading Account, but the transfer did not take place as intended. One month salary was paid from Central Medical Trading Account; it was then recorded as debt and recovered during current year.

25.2 Performance bonus and revenue omitted

	2012 R'000	2011 R'000
Trade and other receivables	51	-
Provisions	(188)	
Net effect on accumulated surplus	**(137)**	**-**

Performance bonuses were initially recognised when the accounting officer resolves that the bonuses will be paid subject to availability of funds as determined by Public Service Regulations, however the reporting framework requires disclosure when there is legal or constructive obligation to make such payment.

An amount of R51,000 in revenue was omitted for recognition in the year ending 31 March 2011.

26. Comparison of results with the approved budget

	Actual R'000	Budget R'000	Variance R'000
Revenue	**432,439**	**488,522**	**(56,083)**
Transfers and subsidies	2,000	2,000	-
Sale of goods and rendering of services	424,152	486,065	(61,913)
Interest received	5,405	438	4,967
Other incomes	882	19	863
Less: Expenditure	**440,463**	**487,965**	**(47,502)**
Compensation of employees	18,061	23,133	(5,072)
Administrative fees	10	67	(57)
Assets less than capitalisation threshold	107	10	97
Audit cost	2,080	2,159	(79)
Bursaries (employees)	-	2	(2)
Communication	229	270	(41)
Computer services	1,721	1,352	369
Consultants, contractors and agency/ outsourced services	63	148	(85)
Inventory consumed	412,628	455,028	(42,400)
Maintenance, repairs and running costs	319	415	(96)
Operating leases	2	2	-
Owned and leasehold property expenditure	1,555	1,473	82
Transport costs	3,490	3,600	(110)
Travel and subsistence	31	48	(17)
Training and staff development	67	231	(164)
Other operating expenditure	100	27	73
Less: Interest paid	**4,487**	**-**	**4,487**
Surplus/ (deficit) before depreciation and impairment	**(12,511)**	**557**	**(13,068)**
Less: Depreciation and impairment	**344**	**360**	**16**
Surplus/ (deficit) for the year	**(12,855)**	**197**	**(13,052)**

	2012 R'000	2011 R'000
Reconciliation of budget surplus/(deficit) with Statement of financial performance		
Net surplus/(deficit) per statement of financial performance	(12,855)	21,501
Adjusted for:		
Depreciation and impairment	344	367
Under-recovery of revenue	56,171	83,459
Under spending on operating expenditure	(43,015)	(98,981)
Net surplus/ (deficit) per approved budget	**645**	**6,346**

DISCLOSURE OF TRUST FUND PARTICULARS

TABLE OF CONTENTS

	Page
Report of the Auditor General	212
Disclosure of the trust particulars	214
Statement of Financial Performance	215
Statement of Financial Position	216
Cash Flow Statement	217
Statement of Changes in Net Assets	218
Notes to the Annual Financial Statements	221

REPORT OF THE AUDITOR-GENERAL TO THE FREE STATE LEGISLATURE ON THE FINANCIAL STATEMENTS OF THE RECREATION FUND TRUST

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Recreation Fund Trust set out on pages 214 to 221, which comprise the statement of financial position as at 31 March 2012, the statement of financial performance, statement of changes in net assets, the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

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

Auditor-General's responsibility

3. My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2001) (PAA), the General Notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Recreation Fund Trust as at 31 March 2012, and its financial performance and cash flows for the year then ended in accordance with SA Standards of GRAP and the requirements of the PFMA.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

7. In accordance with the PAA and the General Notice issued in terms thereof, I report the following findings relevant to compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Compliance with laws and regulations

8. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key applicable laws and regulations as set out in the General Notice issued in terms of the PAA.

Internal control

9. I considered internal control relevant to my audit of the financial statements and compliance with laws and regulations. I did not identify any deficiencies in internal control which I considered sufficiently significant for inclusion in this report.

Auditor-General

Bloemfontein
31 July 2012

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

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 organize recreational activities and functions for the patients.

FREE STATE DEPARTMENT OF HEALTH
THE RECREATION FUND TRUST

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2012

	Note	2011/2012	2010/2011
		R	R
INCOME		**27 123**	**44 160**
Interest income	3	**2 143**	259
Donations received		**13 000**	43 901
Transfer from Private Patient Fund	7	**-**	-
Other income		**11 980**	-
EXPENDITURE		**(89 494)**	**111 718**
Projects: Athletics and dance		**4 440**	3 500
Bank charges		**3 652**	3 126
Depreciation		**23 978**	22 280
Donations		**-**	2 520
Insurance		**17 637**	17 493
Patients' functions and trips		**13 142**	38 963
Patient salary		**3 480**	3 480
Patient Ids		**-**	1 580
Motor vehicle expenses		**20 779**	16 390
Maintenance and repairs		**2 386**	2 386
Other expenses		**-**	-
SURPLUS/(DEFICIT) FOR THE YEAR		**(62 371)**	(67 558)

FREE STATE DEPARTMENT OF HEALTH
THE RECREATION FUND TRUST

STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2012

	Note		2011/2012		2010/2011
			R		R
ASSETS					
Non-current assets			**185 998**		203 964
Property, plant and equipment	2		**181 224**		196 804
Loans and receivables	7		**4 774**		7 160
Current assets			**74 143**		118 548
Cash and cash equivalents	4		**71 757**		116 162
Loans and receivables	7		**2 386**		2 386
TOTAL ASSETSTOTAL ASSETS			**260 141**		322 512
EQUITY AND LIABILITIES					
Capital and reserves			**260 141**		322 512
Trust Fund Capital	5		**260 141**		322 512
TOTAL NET ASSETS AND LIABILITIES			**260 141**		322 512

FREE STATE DEPARTMENT OF HEALTH
THE RECREATION FUND TRUST

CASH FLOW STATEMENT
for the year ended 31 March 2012

	Note		2011/2012		2010/2011
			R		R
CASH FLOWS FROM OPERATING ACTIVITIES			**(36 007)**		(42 892)
NNet Cash/(cash deficit) generated from operations	6		**(38 150)**		(43 151)
Interest received/ (paid)			**2 143**		259
CASH FLOW FROM INVESTMENT ACTIVITIES			**(8 398)**		-
Additions to Property, plant and equipment			**(8 398)**		-
Net increase/(decrease) in cash and cash equivalents			**(44 405)**		(42 892)
Movement in cash and cash equivalents					
End of the year			**71 757**		116 162
Beginning of the year			**116 162**		159 054
(Decrease)/increase			**(44 405)**		(42 892)

STATEMENT OF CHANGES IN NET ASSTES
for the year ended 31 March 2012

	R
Balance 1 April 2010	**390 070**
Net surplus (deficit) for the year	**(67 558)**
Balance at 31 March 2011	**322 512**
Balance at I April 2011	**322 512**
Net surplus (deficit) for the year	**(62 371)**
Balance at 31 March 2012	**260 141**

1. Accounting policies

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

1.1 Basis of preparation

The financial statements are prepared in accordance with and comply with South African Statements of Generally Recognised Accounting Practice. The financial statements are prepared under the historical cost convention as modified by the revaluation of certain property, plant and equipment, marketable securities and investment policies.

1.2 Financial instruments

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

1.3 Cash and cash equivalents

For the purposes of the cash flow statements, cash and cash equivalents comprise of cash at bank and a fixed deposit. The Previous year correction indicated in note 3 indicates the correction of the amount that was incorrectly declared as Petty cash in the previous year.

1.4 Loans and receivables

Loans and receivables are recognised at fair value. The current portion of the loans and receivables are classified under current assets while the portion expected to be collected or recovered over a period of one year are classified and disclosed under non-current assets.

- The prepaid expenses for service plan on the purchase of assets are recognised as loans and receivables.

1.5 Revenue recognition

Interest received is recognized as it accrues unless collect ability is in doubt.

1.6 Basis

The financial statements for the Trust Fund are drawn up on a going concern basis.

1.7 Handling of Revenue

The Revenue in this Trust Fund comprises of sales of goods produced by the patients as well as interest on investment and contributions (donations) from institutions for recreational activities of patients.

1.8 PFMA Requirements

Due to the fact that this Trust Fund is not ruled by predetermined objectives, it is not possible to address performance comparison. The Trust Fund is only utilized for recreational activities for patients.

1.9 Related parties

A party is related to the Recreation Fund Trust if it is directly or indirectly through one or more intermediaries, the party:
controls, is controlled by, or is under control with the Recreation Fund Trust; has an interest in the entity that gives it an influence over the Recreation Fund Trust.

1.10 Property, plant and Equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Assets with a cost higher than R5 000 are capitalised. Assets with a cost less than R5 000 are capitalised and fully depreciated in the same financial year. Depreciation is calculated on the straight line method to write off the cost to their estimated useful life as follow:

Transport assets	8 years	Residual value 25% of cost

	2011/2012	2010/2011
	R	R
2. Property, Plant and Equipment		
Cost price	**237 650**	**237 650**
Accumulated depreciation	**(40 846)**	**(18 566)**
Opening balance at the beginning of the year	**196 804**	**219 084**
Additions during the year	8 398	-
Depreciation	(23 978)	(22 280)
Closing balance at the end of the financial year	**181 224**	**196 804**
Cost	246 048	237 650
Accumulated depreciation	(64 824)	(40 846)
3. Interest received		
Standard bank 32 days deposit	**2 143**	259
4. Cash and cash equivalents	**71 757**	116 162
Cash at bank	**9 534**	55 903
Standard bank 32 days deposit	**62 223**	60 259
Cash on hand	-	-
5. Trust Fund Capital	**260 141**	322 512
Opening balance	**322 512**	390 070
Net surplus (deficit) for the year	**(62 371)**	(67 558)
6. Cash flow information		
Cash generated from operating activities	**(38 150)**	(43 151)
Net surplus/(deficit) for the year	**(62 371)**	(67 558)
Adjustment for interest received	**(2 143)**	(259)
Adjustment for depreciation	**23 978**	22 280
Change in working capital	**2 386**	2 386
Decrease(increase) in accounts receivables	**2 386**	2 386
7. Loans and receivables		
Receivable within a year	**2 386**	2 386
Receivable within 2 to 5 years	**4 774**	7 160
	7 160	9 546

FREE STATE DEPARTMENT OF HEALTH PRIVATE PATIENT FUND TRUST

TABLE OF CONTENTS **Page**

Report of the Auditor-General	224
Disclosure of the trust particulars	226
Statement of Financial Performance	227
Statement of Financial Position	228
Cash Flow Statement	229
Statement of Changes in Net Assets	230
Accounting Policy	231
Notes to the Annual Financial Statements	232

REPORT OF THE AUDITOR-GENERAL TO THE FREE STATE LEGISLATURE ON THE FINANCIAL STATEMENTS OF THE PRIVATE PATIENT FUND TRUST

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Private Patient Fund Trust set out on pages 226 to 232, which comprise the statement of financial position as at 31 March 2012, the statement of financial performance, statement of changes in net
2. assets, the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

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

Auditor-General's responsibility

4. My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2001) (PAA), the General Notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

7. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Private Patient Fund Trust as at 31 March 2012, and its financial performance and cash flows for the year then ended in accordance with SA Standards of GRAP and the requirements of the PFMA.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

8. In accordance with the PAA and the General Notice issued in terms thereof, I report the following findings relevant to compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Compliance with laws and regulations

9. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key applicable laws and regulations as set out in the General Notice issued in terms of the PAA.

Internal control

10. I considered internal control relevant to my audit of the financial statements and compliance with laws and regulations. I did not identify any deficiencies in internal control which I considered sufficiently significant for inclusion in this report.

Auditor-General

Bloemfontein
31 July 2012

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

DISCLOSURE OF THE TRUST 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 2012

	Note	2011/2012	20010/2011
		R	R
Income		**35 896**	30 451
Interest Income	2	**6 940**	7 587
Projects:			
Kosmos		**19 791**	15 487
Rutanang		**9 165**	7 377
TOTAL INCOME		**35 896**	30 451
TOTAL EXPENDITURE		**32 332**	28 428
Bank Charges		**5 292**	4 111
Projects: Kosmos		**19 560**	17 893
Rutanang		**7 480**	6 424
SURPLUS/(DEFICIT) FOR THE YEAR		**3 564**	2 023

FREE STATE DEPARTMENT OF HEALTH
PRIVATE PATIENT FUND TRUST

STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2012

	Note	2011/2012	2010/2011
		R	R
ASSETS			
Current assets		**308 528**	282 025
Cash and cash equivalents	3	**308 528**	282 025
TOTAL ASSETS		**308 528**	282 025
EQUITIES AND LIABILITIES			
Capital and reserves		**166 928**	163 364
Trust Fund Capital	4	**166 928**	163 364
Current liabilities		**141 600**	118 661
Trade and other payables	5	**141 600**	118 661
TOTAL EQUITY AND LIABILITIES		**308 528**	282 025

FREE STATE DEPARTMENT OF HEALTH
PRIVATE PATIENT FUND TRUST

CASH FLOW STATEMENT
for the year ended 31 March 2012

	Note		2011/2012		2010/2011
			R		R
CASH FLOWS FROM OPERATING ACTIVITIES			**26 503**		8 955
Cash/(cash deficit) generated from operations	6		**19 563**		1 368
Interest received/ (paid)			**6 940**		7 587
Net increase/(decrease) in cash and cash equivalents			**26 503**		8 955
Movement in cash and cash equivalents					
Cash and cash equivalents at end of year			**308 528**		282 025
Cash and cash equivalents at beginning of year			**282 025**		273 070
(Decrease)/Increase in cash and cash equivalents			**26 503**		8 955

STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2012

	R
Trust Fund Capital	
Opening balance at 1 April 2010	**161 341**
Surplus/Deficit for the year	**2 023**
Balance as at 31 March 2011	**163 364**
Balance as at 1 April 2011	**163 364**
Surplus/(Deficit) for the year	**3 564**
Closing balance as at 31 March 2012	**166 928**

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 Rec ognised Accounting Practice (GRAP). The financial statements are prepared under the historical cost convention as modified by the revaluation of certain property, plant and equipment, marketable securities and investment policies.

1.2 Financial instruments

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

1.3 Inventory

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

1.4 Cash and cash equivalents

For the purposes of the cash flow statements, cash and cash equivalents comprise of cash at bank and a current deposit held with Standard Bank.

1.5 Revenue recognition

Interest received is recognized as it accrues unless collect ability is in doubt.

1.6 Basis

The financial statements for the Trust Fund are drawn up on a going concern basis.

1.7 Handling of Revenue

The Revenue in this Trust Fund comprises of sales of goods produced by the patients as well as interest on investment and contributions (donations) from institutions for recreational activities of patients.

1.8 PFMA Requirements

Due to the fact that this Trust Fund is not ruled by predetermined objectives, it is not possible to address performance comparison. The Trust Fund is only utilized for recreational activities for patients and the controlling of monies donated to the patients from relatives/friends.

1.9 Related parties

A party is related to the Private Patient Fund Trust if it is directly or indirectly through one or more intermediaries, the party:

- controls, is controlled by, or is under control with the Private Patient Fund Trust;
- has an interest in the entity that gives it an influence over the Private Patient Fund Trust.

	2012/2012		2010/2011
	R		R
2. Interest received			
Standard Bank 32 day deposit	**6 940**		7 587
3. Cash and cash equivalents	**308 528**		282 025
Cash at bank	**74 044**		54 481
Standard bank 32 days deposit	**234 484**		227 544
4. Trust Fund Capital	**166 928**		163 364
Opening balance	**163 364**		161 341
Net income(deficit) for the year	**3 564**		2 023
5. Payables	**141 600**		118 661
Private Patient Fund			
Opening balance	**118 661**		111 729
Credit to patient accounts	**61 651**		39 621
Debit to patient accounts	**(38 712)**		(32 689)
6. Cash flow information			
Cash/(cash deficit) generated from operations	**19 563**		1 368
Net profit for the year	**3 564**		2 023
Adjustment for interest received	**(6 940)**		(7 587)
Generated from decrease in/(utilized to increase) working Capital	**22 939**		6 932
(Decrease)/increase in payables	**22 939**		6 932

HUMAN RESOURCE MANAGEMENT

Service delivery

The following tables reflect the components of the Service Delivery Improvement (SDI) plan as well as progress made in the implementation of the plans.

Table 1.1 – Main services provided and standards

Main Services	Actual Customers	Potential Customers	Standard of Service	Actual Achievement against Standards
To improve waiting time to all Health facilities	Service users	Staff Members	• Emergency and Trauma: 15 minutes • Admissions: 60 minutes • Out Patient Department (OPD): 120 min • Pharmacy: 60 minutes • X-ray: 60 minutes	The average compliance rate for all health facilities is 60%
All service users educated on how to utilize departmental Complaints procedure	Service users	Staff members	All service users will be provided with information on complaints management procedures within the department	• All health Districts have Customer care focal people; and adverse events Committees and Complaints committees to address the service user's complaints. • All health facilities have Service delivery charters in four languages: English; Afrikaans; South Sotho and IsiZulu. • Six hundred (600) Complaints Management Flow Charts in snapper frames procured and installed in all facilities charts in four languages (South Sotho, IsiZulu, English, and Afrikaans) • Eight hundred and thirty four (834) Complaints Registers are procured and placed in all strategic points of the facilities.

Table 1.2 – Consultation arrangements with customers

Type of Arrangement	Actual Customers	Potential Customers	Actual Achievements
Provision of Information	Service Users	Staff Members	• Service users are consulted every morning by staff members and clinic committee members on waiting time standards and interruptions and the consultation sessions are recorded in the consultation books. • Six hundred (600) Complaints Management Flow Charts in snapper frames procured and installed in all facilities charts in four languages (South Sotho, IsiZulu, English, and Afrikaans) • 80% of facilities displayed waiting time standards at pharmacy and waiting areas. • Majority of facilities provided monthly internal waiting time audits and the compliance rate is 60%
Capacity Building Workshops	Staff members	Service Users	• Two hundred and twenty four (224) facility supervisors were capacitated on Customer Care focusing on monitoring of waiting time, complaints management procedure, behaviour modification conducting Patient Satisfaction survey • One Hundred and two (102) frontline staff members were capacitated on customer care

Patient Satisfaction Survey	Service Users	Staff Members	• Annual Patient Satisfaction Survey was conducted by an independent researcher and the satisfaction rate for:
			  • All Hospitals with sample size of one thousand and twenty seven (1 927) respondents equals to 85%
			  • All Community Health Centres with a sample size of five hundred and fifteen (515) respondents equals to 79%
			  • All Clinics with sample size of six thousand four hundred and fifty five
			  • (6 455) equals to 81%

Table 1.3 – Service delivery access strategy

Access Strategy	Actual Achievements
Signage	Sixty five (65) exterior signage board are erected and installed in all Clinics of Thabo Mofutsanyana District Fezile Dabi and Xhariep outstanding
Queue Marshalls	Thirty four (34) Queue Marshalls are in employed in Hospitals for effective accessibility inside the facility and monitoring of waiting time.
Name Tags	Two hundred and twenty nine(229) staff members received name tags

Table 1.4 – Service information tool

Types of Information Tool	Actual Achievements
Signage	• 80% of facilities have corporate exterior signage • 50% of facilities have corporate interior signage
Service Delivery Charter	One thousand six hundred and ten (1 610) Service Delivery Charters were distributed in all frontline facilities in four Languages: English, Afrikaans, IsiZulu and South Sotho
Posters	All health facilities have information Posters
Radio Health talks	Dissemination of information is conducted through four (4) community and one (1) National radio station every day for the entire financial year
Information / capacity building sessions	• Two hundred and twenty four (224) facility supervisors were capacitated on Customer Care focusing on: monitoring of waiting time; complaints management procedure; behaviour modification; and conducting Patient Satisfaction survey. • One Hundred and two (102) frontline staff members were capacitated on customer care.

Table 1.5 – Complaints mechanism

Complaints Mechanism	Actual Achievements
Call Centre	70% of posters have call centre number and all radio health talks market the call centre
Complaints Registers	100% strategic points of health facilities have complaints registers
Complaints management flow Charts	!00% of Health facilities have complaints management flow chart in four languages: English, Afrikaans, IsiZulu and South Sotho
Suggestion Boxes	• 20 % of facilities are having corporate suggestion box and utilised according to Free State Complaints Management Procedure. • 80% of facilities have improvised suggestion boxes

Expenditure

Departments budget in terms of clearly defined programmes. The following tables summarise final audited expenditure by programme (Table 2.1) and by salary bands (Table 2.2). In particular, it provides an indication of the amount spent on personnel costs in terms of each of the programmes or salary bands within the department.

TABLE 2.1 – Personnel costs by programme, 2011/12

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Personnel cost as a % of total expenditure	Average personnel cost per employee (R'000)
Fhw: Administration	273,034	163,583	0	0	59.9	9
Fhw: Central Hospital Services	1,112,574	810,563	0	0	72.9	43
Fhw: District Health Services	2,639,618	1,740,324	0	0	65.9	93
Fhw: Emergency Medical Services	433,873	270,200	0	0	62.3	14
Fhw: Health Care Support Services	97,356	62,557	0	0	64.3	3
Fhw: Health Facilities Management	472,911	3,138	0	0	0.7	0
Fhw: Health Sciences & Training	150,234	73,129	0	0	48.7	4
Fhw: Internal Charges	0	0	0	0	0	0
Fhw: Provincial Hospital Services	1,630,958	1,248,158	0	0	76.5	67
Z=Total as on Financial Systems (BAS)	6,810,558	4,371,652	0	0	64.19	232.79

TABLE 2.2 – Personnel costs by salary bands, 2011/12

Salary bands	Personnel Expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	168,871	3.8	93,159
Skilled (Levels 3-5)	1,066,683	24.1	130,609
Highly skilled production (Levels 6-8)	778,154	18	214,190
Highly skilled supervision (Levels 9-12)	1,879,810	42.5	444,714
Senior management (Levels 13-16)	233,446	5.1	1,228,665
Contract (Levels 1-2)	874	0	437,165
Contract (Levels 3-5)	17,487	0.4	91,076
Contract (Levels 6-8)	52,460	1.2	240,642
Contract (Levels 9-12)	139,893	3.2	423,917
Contract (Levels 13-16)	21,858	0.5	1,214,348
Periodical Remuneration	4,372	0.1	15,725
Abnormal Appointment	8,743	0.2	9,252
TOTAL	**4,372,651**	**99.10**	**378,622**

The following tables provide a summary per programme (Table 2.3) and salary bands (Table 2.4), of expenditure incurred as a result of salaries, overtime, home owners allowance and medical assistance. In each case, the table provides an indication of the percentage of the personnel budget that was used for these items.

TABLE 2.3 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by programme, 2011/12

Programme	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of person-nel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assis-tance as a % of personnel cost
P1 Administration	112,803	71.1	3,130	2	4,642	3	7,752	5
P2 District Health Services	1,159,755	70	66,642	4.1	46,886	2.9	73,394	4.6
P3 Emergency Medical Services	157,155	61.6	29,892	11.9	10,871	4.4	19,688	7.9
P4 Provincial Hospital Management	807,172	68.2	89,955	7.7	36,491	3.2	55,795	4.8
P5 Central Hospital Services	510,196	66.7	93,193	12.4	13,322	1.8	27,413	3.7
P6 Health Sciences & Training	49,550	61.6	746	0.9	1,843	2.4	3,560	4.5
P7 Health Care Support Services	39,691	66.6	1,143	2	3,596	6.2	4,815	8.3
P8 Health Facilities Management	2,341	75.4	0	0	161	5.3	73	2.4
TOTAL	**2,838,663**	**68.2**	**284,701**	**7**	**117,812**	**2.9**	**192,490**	**4.8**

TABLE 2.4 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands, 2011/12

Salary Bands	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of person-nel cost	Amount (R'000)	HOA as a % of person-nel cost	Amount (R'000)	Medical Assis-tance as a % of person-nel cost
Lower skilled (Levels 1-2)	105,665	65.9	2,692	1.9	12,741	8.2	13,570	8.7
Skilled (Levels 3-5)	663,609	65.7	46,040	4.6	56,846	5.8	81,618	8.3
Highly skilled production (Levels 6-8)	519,710	68.9	31,576	4.3	23,637	3.2	43,575	5.9
Highly skilled supervision (Levels 9-12)	1,241,433	69.6	131,633	7.5	22,746	1.3	50,771	2.9
Senior management (Levels 13-16)	142,821	65.1	38,252	17.8	1,565	0.7	2,305	1.1
Contract (Levels 1-2)	683	98.2	0	0	0	0	0	0
Contract (Levels 3-5)	15,497	96.2	62	0.4	37	0.2	29	0.2
Contract (Levels 6-8)	45,806	93.9	594	1.2	69	0.1	112	0.2
Contract (Levels 9-12)	90,992	68.9	29,222	22.5	78	0.1	384	0.3
Contract (Levels 13-16)	12,447	64.7	4,360	23.1	93	0.5	126	0.7
Periodical Remuneration	0	0	0	0	0	0	0	0
Abnormal Appointment	0	0	0	0	0	0	0	0
TOTAL	**2,838,663**	**63.09**	**284,431**	**6.94**	**117,812**	**1.68**	**192,490**	**2.36**

Employment and vacancies

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment. This information is presented in terms of three key variables: - programme (Table 3.1), salary band (Table 3.2) and critical occupations (Table 3.3). Departments have identified critical occupations that need to be monitored. Table 3.3 provides establishment and vacancy information for the key critical occupations of the department.
The vacancy rate reflects the percentage of posts that are not filled.

TABLE 3.1 – Employment and vacancies by programme, 31 March 2012

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
P1 administration, Permanent	739	578	21.8	0
P2 district health services, Permanent	9,661	7,873	18.5	0
P2 district health services, Temporary	47	98	-108.5	0
P3 emergency medical services, Permanent	2,150	1,651	23.2	0
P4 provincial hospital management, Permanent	6,052	5,229	13.6	0
P4 provincial hospital management, Temporary	27	50	-85.2	0
P5 central hospital services, Permanent	2,701	2,492	7.7	0
P5 central hospital services, Temporary	18	18	0	0
P6 health sciences & training, Permanent	360	288	20	0
P7 health care support services, Permanent	598	497	16.9	0
P8 health facilities management, Permanent	9	5	44.4	0
TOTAL	**22,362**	**18,779**	**16**	**0**

TABLE 3.2 – Employment and vacancies by salary bands, 31 March 2012

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	2,445	1,827	25.3	0
Lower skilled (Levels 1-2), Temporary	2	4	-100	0
Skilled (Levels 3-5), Permanent	9,544	8,143	14.7	0
Skilled (Levels 3-5), Temporary	6	10	-66.7	0
Highly skilled production (Levels 6-8), Permanent	4,279	3,563	16.7	0
Highly skilled production (Levels 6-8), Temporary	41	59	-43.9	0
Highly skilled supervision (Levels 9-12), Permanent	5,004	4,131	17.4	0
Highly skilled supervision (Levels 9-12), Temporary	41	92	-124.4	0
Senior management (Levels 13-16), Permanent	238	189	20.6	0
Senior management (Levels 13-16), Temporary	2	1	50	0
Contract (Levels 1-2), Permanent	2	2	0	0
Contract (Levels 3-5), Permanent	192	192	0	0
Contract (Levels 6-8), Permanent	218	218	0	0
Contract (Levels 9-12), Permanent	330	330	0	0
Contract (Levels 13-16), Permanent	18	18	0	0
TOTAL	**22,362**	**18,779**	**16.02**	**0**

TABLE 3.3 – Employment and vacancies by critical occupation, 31 March 2012

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Administrative related, Permanent	134	106	20.9	0
Agriculture related, Permanent	1	1	0	0
All artisans in the building metal machinery etc., Permanent	149	103	30.9	0
Ambulance and related workers, Permanent	2,007	1,532	23.7	0
Architects town and traffic planners, Permanent	1	0	100	0
Artisan project and related superintendents, Permanent	8	8	0	0
Auxiliary and related workers, Permanent	573	510	11	0
Biochemistry pharmacol. zoology & life scie. techni, Permanent	8	4	50	0
Building and other property caretakers, Permanent	74	58	21.6	0
Bus and heavy vehicle drivers, Permanent	84	71	15.5	0
Chemical and physical science technicians, Permanent	21	18	14.3	0
Cleaners in offices workshops hospitals etc., Permanent	1,665	1,411	15.3	0
Client inform clerks(switch brecept inform clerks), Permanent	70	63	10	0
Communication and information related, Permanent	4	4	0	0
Community development workers, Permanent	38	30	21.1	0
Computer system designers and analysts., Permanent	10	9	10	0
Dental practitioners, Permanent	77	70	9.1	0
Dental therapy, Permanent	2	2	0	0
Dieticians and nutritionists, Permanent	89	60	32.6	0
Dieticians and nutritionists, Temporary	2	2	0	0
Emergency services related, Permanent	69	69	0	0
Engineering sciences related, Permanent	1	1	0	0
Engineers and related professionals, Permanent	3	2	33.3	0
Environmental health, Permanent	99	81	18.2	0
Finance and economics related, Permanent	65	54	16.9	0
Financial and related professionals, Permanent	117	91	22.2	0
Financial clerks and credit controllers, Permanent	198	177	10.6	0
Fire fighting and related workers, Permanent	4	4	0	0
Food services aids and waiters, Permanent	197	181	8.1	0

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Food services workers, Permanent	5	5	0	0
General legal administration & rel. professionals, Permanent	3	3	0	0
Head of department/chief executive officer, Permanent	1	1	0	0
Health sciences related, Permanent	2,250	1,994	11.4	0
Health sciences related, Temporary	3	3	0	0
Household and laundry workers, Permanent	980	875	10.7	0
Household food and laundry services related, Permanent	4	4	0	0
Housekeepers laundry and related workers, Permanent	24	15	37.5	0
Human resources & organisat developm & relate prof, Permanent	51	37	27.5	0
Human resources clerks, Permanent	295	249	15.6	0
Human resources related, Permanent	18	17	5.6	0
Information technology related, Permanent	2	2	0	0
Inspectors of apprentices works and vehicles, Permanent	4	2	50	0
Language practitioners interpreters & other commun, Permanent	15	8	46.7	0
Leather workers, Permanent	2	0	100	0
Library mail and related clerks, Permanent	73	64	12.3	0
Light vehicle drivers, Permanent	76	62	18.4	0
Logistical support personnel, Permanent	134	94	29.9	0
Material-recording and transport clerks, Permanent	364	331	9.1	0
Medical practitioners, Permanent	806	541	32.9	0
Medical practitioners, Temporary	61	132	-116.4	0
Medical research and related professionals, Permanent	6	6	0	0
Medical specialists, Permanent	496	357	28	0
Medical specialists, Temporary	6	9	-50	0
Medical technicians/technologists, Permanent	81	40	50.6	0
Messengers porters and deliverers, Permanent	313	295	5.8	0
Motor vehicle drivers, Permanent	5	5	0	0
Natural sciences related, Permanent	4	1	75	0
Nursing assistants, Permanent	2,342	2,106	10.1	0

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Occupational therapy, Permanent	92	75	18.5	0
Occupational therapy, Temporary	2	2	0	0
Optometrists and opticians, Permanent	13	7	46.2	0
Oral hygiene, Permanent	8	7	12.5	0
Other administrat & related clerks and organisers, Permanent	1,198	1,033	13.8	0
Other administrative policy and related officers, Permanent	160	131	18.1	0
Other information technology personnel., Permanent	67	58	13.4	0
Other occupations, Permanent	2	2	0	0
Pharmacists, Permanent	442	259	41.4	0
Pharmacists, Temporary	4	4	0	0
Pharmacologists pathologists & related professiona, Permanent	3	3	0	0
Physicists, Permanent	16	16	0	0
Physiotherapy, Permanent	107	82	23.4	0
Physiotherapy, Temporary	1	1	0	0
Production advisers : factories, Permanent	1	1	0	0
Professional nurse, Permanent	2,564	2,260	11.9	0
Professional nurse, Temporary	9	9	0	0
Psychologists and vocational counsellors, Permanent	45	33	26.7	0
Quantity surveyors & rela prof not class elsewhere, Permanent	1	1	0	0
Radiography, Permanent	220	196	10.9	0
Radiography, Temporary	4	4	0	0
Regulatory inspectors, Permanent	14	8	42.9	0
Risk management and security services, Permanent	1	1	0	0
Secretaries & other keyboard operating clerks, Permanent	189	156	17.5	0
Security guards, Permanent	2	2	0	0
Security officers, Permanent	1,409	1,052	25.3	0
Senior managers, Permanent	53	45	15.1	0
Shoemakers, Permanent	4	3	25	0
Social sciences related, Permanent	7	7	0	0
Social work and related professionals, Permanent	82	69	15.9	0
Speech therapy and audiology, Permanent	30	22	26.7	0

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Staff nurses and pupil nurses, Permanent	855	760	11.1	0
Statisticians and related professionals, Permanent	7	7	0	0
Supplementary diagnostic radiographers, Permanent	29	28	3.4	0
Trade labourers, Permanent	527	455	13.7	0
TOTAL	**22,362**	**18,779**	**16.02**	**0**

The information in each case reflects the situation as at 31 March 2012. For an indication of changes in staffing patterns over the year under review, please refer to section 5 of this report.
Job evaluation

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

The following table (Table 4.1) summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

TABLE 4.1 – Job Evaluation, 1 April 2011 to 31 March 2012

Salary band	Number of posts	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	2,447	18	0.7	139	5.6	0	0
Contract (Levels 1-2)	2	0	0	1	0	0	0
Contract (Levels 3-5)	192	0	0	0	0	0	0
Contract (Levels 6-8)	218	0	0	4	0	0	0
Contract (Levels 9-12)	330	0	0	2	0	0	0
Contract (Band A)	10	0	0	0	0	0	0
Contract (Band B)	7	0	0	0	0	0	0
Contract (Band C)	1	0	0	0	0	0	0
Skilled (Levels 3-5)	9,550	261	2.7	441	4.61	1	0.4
Highly skilled production (Levels 6-8)	4,320	3	0.1	115	2.66	0	0
Highly skilled supervision (Levels 9-12)	5,045	2	0	92	1.82	0	0
Senior Management Service Band A	86	0	0	0	0	0	0
Senior Management Service Band B	98	0	0	3	0	0	0
Senior Management Service Band C	37	0	0	0	0	0	0
Senior Management Service Band D	19	0	0	0	0	0	0
TOTAL	**22,362**	**284**	**1.3**	**797**	**280.6**	**1**	**0.99**

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

TABLE 4.2 – Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2011 to 31 March 2012

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a Disability	0	0	0	0	0

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

TABLE 4.3 – Employees whose salary level exceed the grade determined by job evaluation, 1 April 2011 to 31 March 2012 (in terms of PSR 1.V.C.3)

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Total	NONE	NONE	NONE	NONE
Percentage of Total Employment	NONE	NONE	NONE	NONE

Table 4.4 summarises the beneficiaries of the above in terms of race, gender, and disability.

TABLE 4.4 – Profile of employees whose salary level exceed the grade determined by job evaluation, 1 April 2011 to 31 March 2012 (in terms of PSR 1.V.C.3)

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a Disability	0	0	0	0	0

If there were no cases where the remuneration bands exceeded the grade determined by job evaluation, use the following table as TABLE 4.3]

Total Number of Employees whose salaries exceeded the grades determined by job evaluation in 2011/ 12	None

Employment changes

This section provides information on changes in employment over the financial year.
Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band (Table 5.1) and by critical occupations (Table 5.2). (These "critical occupations" should be the same as those listed in Table 3.3).

TABLE 5.1 – Annual turnover rates by salary band for the period 1 April 2011 to 31 March 2012

Salary Band	Number of employees per band as on 1 April 2011	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2), Permanent	1,699	462	40	2.4
Lower skilled (Levels 1-2), Temporary	3	0	0	0
Skilled (Levels 3-5), Permanent	6,899	1,482	233	3.4
Skilled (Levels 3-5), Temporary	11	0	1	9.1
Highly skilled production (Levels 6-8), Permanent	3,183	174	115	3.6
Highly skilled production (Levels 6-8), Temporary	60	1	4	6.7
Highly skilled supervision (Levels 9-12), Permanent	4,040	161	196	4.9

Salary Band	Number of employees per band as on 1 April 2011	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Highly skilled supervision (Levels 9-12), Temporary	91	0	2	2.2
Senior Management Service Band A, Permanent	71	1	3	4.2
Senior Management Service Band A, Temporary	1	0	0	0
Senior Management Service Band B, Permanent	47	2	1	2.1
Senior Management Service Band C, Permanent	51	0	2	3.9
Senior Management Service Band D, Permanent	2	0	0	0
Contract (Levels 1-2), Permanent	17	2	0	0
Contract (Levels 3-5), Permanent	201	129	57	28.4
Contract (Levels 6-8), Permanent	213	152	106	49.8
Contract (Levels 9-12), Permanent	227	177	112	49.3
Contract (Band A), Permanent	9	2	1	11.1
Contract (Band B), Permanent	4	0	0	0
Contract (Band C), Permanent	0	1	0	0
TOTAL	**16,831**	**2,746**	**873**	**11.13**

TABLE 5.2 – Annual turnover rates by critical occupation for the period 1 April 2011 to 31 March 2012

Occupation:	Number of employees per occupation as on 1 April 2011	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative related, Permanent	92	6	2	2.2
All artisans in the building metal machinery etc., Permanent	93	11	3	3.2
Ambulance and related workers, Permanent	1,207	375	16	1.3
Artisan project and related superintendents, Permanent	11	0	2	18.2
Auxiliary and related workers, Permanent	504	42	19	3.8
Biochemistry pharmacol. zoology & life scie. techni, Permanent	0	3	0	0
Building and other property caretakers, Permanent	52	10	5	9.6

Occupation:	Number of employees per occupation as on 1 April 2011	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Bus and heavy vehicle drivers, Permanent	63	12	8	12.7
Chemical and physical science technicians, Permanent	15	4	0	0
Cleaners in offices workshops hospitals etc., Permanent	1,233	208	55	4.5
Client inform clerks(switch brecept inform clerks), Permanent	60	9	3	5
Communication and information related, Permanent	4	0	0	0
Community development workers, Permanent	29	1	0	0
Computer system designers and analysts., Permanent	9	0	0	0
Dental practitioners, Permanent	60	26	18	30
Dental therapy, Permanent	2	0	0	0
Dieticians and nutritionists, Permanent	52	16	6	11.5
Dieticians and nutritionists, Temporary	1	0	0	0
Emergency services related, Permanent	61	8	2	3.3
Engineering sciences related, Permanent	1	0	0	0
Engineers and related professionals, Permanent	0	2	0	0
Environmental health, Permanent	51	28	5	9.8
Finance and economics related, Permanent	46	4	1	2.2
Financial and related professionals, Permanent	76	8	3	3.9
Financial clerks and credit controllers, Permanent	160	16	2	1.3
Fire fighting and related workers, Permanent	1	3	0	0
Food services aids and waiters, Permanent	160	32	8	5
Food services workers, Permanent	4	1	0	0
General legal administration & rel. professionals, Permanent	3	3	2	66.7
Head of department/chief executive officer, Permanent	1	0	0	0

Occupation:	Number of employees per occupation as on 1 April 2011	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Health sciences related, Permanent	2,002	22	54	2.7
Health sciences related, Temporary	3	0	0	0
Household and laundry workers, Permanent	804	138	35	4.4
Household food and laundry services related, Permanent	3	1	1	33.3
Housekeepers laundry and related workers, Permanent	12	0	0	0
Human resources & organisat developm & relate prof, Permanent	37	0	1	2.7
Human resources clerks, Permanent	233	28	2	0.9
Human resources related, Permanent	16	0	0	0
Information technology related, Permanent	2	0	0	0
Inspectors of apprentices works and vehicles, Permanent	3	0	1	33.3
Language practitioners interpreters & other commun, Permanent	10	1	1	10
Leather workers, Permanent	1	0	0	0
Library mail and related clerks, Permanent	61	6	3	4.9
Light vehicle drivers, Permanent	50	13	4	8
Logistical support personnel, Permanent	79	0	3	3.8
Material-recording and transport clerks, Permanent	253	44	7	2.8
Medical practitioners, Permanent	466	155	99	21.2
Medical practitioners, Temporary	131	0	6	4.6
Medical research and related professionals, Permanent	6	0	0	0
Medical specialists, Permanent	344	39	31	9
Medical specialists, Temporary	9	0	0	0
Medical technicians/technologists, Permanent	37	11	5	13.5
Messengers porters and deliverers, Permanent	208	106	13	6.3
Motor vehicle drivers, Permanent	4	2	0	0
Natural sciences related, Permanent	2	0	0	0

Occupation:	Number of employees per occupation as on 1 April 2011	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Nursing assistants, Permanent	2,076	336	117	5.6
Occupational therapy, Permanent	63	26	13	20.6
Occupational therapy, Temporary	1	1	0	0
Optometrists and opticians, Permanent	4	4	1	25
Oral hygiene, Permanent	5	3	1	20
Other administration & related clerks and organisers, Permanent	935	129	21	2.2
Other administrative policy and related officers, Permanent	111	11	0	0
Other information technology personnel., Permanent	52	6	1	1.9
Other occupations, Permanent	2	0	0	0
Pharmacists, Permanent	197	84	33	16.8
Pharmacists, Temporary	3	0	0	0
Pharmacologists pathologists & related professiona, Permanent	3	0	0	0
Physicists, Permanent	15	3	1	6.7
Physiotherapy, Permanent	69	23	14	20.3
Physiotherapy, Temporary	1	0	0	0
Production advisers : factories, Permanent	1	0	0	0
Professional nurse, Permanent	2,046	126	141	6.9
Professional nurse, Temporary	12	0	1	8.3
Psychologists and vocational counsellors, Permanent	30	10	9	30
Quantity surveyors &rela prof not class elsewhere, Permanent	1	0	0	0
Radiography, Permanent	178	33	14	7.9
Radiography, Temporary	4	0	0	0
Regulatory inspectors, Permanent	4	0	0	0
Risk management and security services, Permanent	3	0	0	0
Secretaries & other keyboard operating clerks, Permanent	136	36	3	2.2
Security guards, Permanent	4	0	2	50
Security officers, Permanent	770	311	22	2.9
Senior managers, Permanent	46	2	3	6.5

Occupation:	Number of employees per occupation as on 1 April 2011	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Shoemakers, Permanent	3	0	0	0
Social sciences related, Permanent	7	0	0	0
Social work and related professionals, Permanent	45	19	7	15.6
Speech therapy and audiology, Permanent	15	8	4	26.7
Speech therapy and audiology, Temporary	1	0	0	0
Staff nurses and pupil nurses, Permanent	662	94	20	3
Statisticians and related professionals, Permanent	5	2	0	0
Supplementary diagnostic radiographers, Permanent	30	0	1	3.3
Trade labourers, Permanent	462	85	18	3.9
TOTAL	**16,831**	**2,746**	**873**	**11.13**

Table 5.3 – Reasons why staff are leaving the department

Termination Type	Number	% of Total Resignations	% of Total Employment
Death, Permanent	103	11.8	0.6
Resignation, Permanent	228	26.1	1.4
Resignation, Temporary	1	0.1	0
Expiry of contract, Permanent	281	32.2	1.7
Expiry of contract, Temporary	5	0.6	0
Transfers, Permanent	5	0.6	0
Discharged due to ill health, Permanent	8	0.9	0
Dismissal-misconduct, Permanent	11	1.3	0.1
Retirement, Permanent	230	26.3	1.4
Retirement, Temporary	1	0.1	0
TOTAL	**873**	**100**	**5.2**
Resignations as % of Employment 5.2%			

Table 5.4 – Promotions by critical occupation

Occupation	Employees as at 1 April 2011	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progres-sions as a % of employees by occupation
Administrative related	92	8	8.7	57	62
All artisans in the building metal machinery etc.	93	1	1.1	67	72
Ambulance and related workers	1,207	41	3.4	74	6.1
Artisan project and related superintendents	11	0	0	7	63.6
Auxiliary and related workers	504	8	1.6	324	64.3
Building and other property caretakers	52	0	0	29	55.8
Bus and heavy vehicle drivers	63	6	9.5	45	71.4
Chemical and physical science technicians	15	0	0	10	66.7
Cleaners in offices workshops hospitals etc.	1,233	1	0.1	746	60.5
Client inform clerks(switch brecept inform clerks)	60	1	1.7	36	60
Communication and information related	4	0	0	1	25
Community development workers	29	0	0	8	27.6
Computer system designers and analysts.	9	0	0	3	33.3
Dental practitioners	60	2	3.3	28	46.7
Dental therapy	2	0	0	0	0
Dieticians and nutritionists	53	1	1.9	33	62.3
Emergency services related	61	1	1.6	11	18
Engineering sciences related	1	1	100	0	0
Engineers and related professionals	0	1	0	0	0
Environmental health	51	2	3.9	22	43.1
Finance and economics related	46	4	8.7	32	69.6

Occupation	Employees as at 1 April 2011	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	76	5	6.6	53	69.7
Financial clerks and credit controllers	160	9	5.6	109	68.1
Fire fighting and related workers	1	0	0	0	0
Food services aids and waiters	160	1	0.6	108	67.5
Food services workers	4	0	0	3	75
General legal administration & rel. professionals	3	0	0	1	33.3
Head of department/chief executive officer	1	0	0	0	0
Health sciences related	2,005	61	3	1,690	84.3
Household and laundry workers	804	8	1	348	43.3
Household food and laundry services related	3	1	33.3	2	66.7
Housekeepers laundry and related workers	12	2	16.7	6	50
Human resources & organisat developm & relate prof	37	6	16.2	22	59.5
Human resources clerks	233	14	6	165	70.8
Human resources related	16	0	0	10	62.5
Information technology related	2	0	0	1	50
Inspectors of apprentices works and vehicles	3	0	0	0	0
Language practitioners interpreters & other commun	10	0	0	8	80
Leather workers	1	0	0	0	0
Library mail and related clerks	61	3	4.9	40	65.6
Light vehicle drivers	50	3	6	22	44
Logistical support personnel	79	10	12.7	46	58.2
Material-recording and transport clerks	253	24	9.5	169	66.8
Medical practitioners	597	9	1.5	121	20.3

Occupation	Employees as at 1 April 2011	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
Medical research and related professionals	6	0	0	5	83.3
Medical specialists	353	28	7.9	167	47.3
Medical technicians / technologists	37	7	18.9	13	35.1
Messengers porters and deliverers	208	0	0	127	61.1
Motor vehicle drivers	4	0	0	3	75
Natural sciences related	2	0	0	1	50
Nursing assistants	2,076	0	0	1,312	63.2
Occupational therapy	64	38	59.4	27	42.2
Optometrists and opticians	4	0	0	3	75
Oral hygiene	5	2	40	2	40
Other administration & related clerks and organisers	935	20	2.1	664	71
Other administrative policy and related officers	111	10	9	64	57.7
Other information technology personnel.	52	0	0	37	71.2
Other occupations	2	0	0	1	50
Pharmacists	200	29	14.5	95	47.5
Pharmacologists pathologists & related professionals	3	0	0	3	100
Physicists	15	1	6.7	6	40
Physiotherapy	70	18	25.7	35	50
Production advisers: factories	1	0	0	0	0
Professional nurse	2,058	64	3.1	1,394	67.7
Psychologists and vocational counsellors	30	1	3.3	15	50
Quantity surveyors &rela prof not class elsewhere	1	0	0	1	100
Radiography	182	39	21.4	109	59.9
Regulatory inspectors	4	1	25	1	25
Risk management and security services	3	0	0	3	100

Occupation	Employees as at 1 April 2011	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
Secretaries & other keyboard operating clerks	136	2	1.5	48	35.3
Security guards	4	0	0	3	75
Security officers	770	3	0.4	360	46.8
Senior managers	46	3	6.5	26	56.5
Shoemakers	3	0	0	1	33.3
Social sciences related	7	0	0	3	42.9
Social work and related professionals	45	0	0	8	17.8
Speech therapy and audiology	16	3	18.8	3	18.8
Staff nurses and pupil nurses	662	19	2.9	300	45.3
Statisticians and related professionals	5	0	0	4	80
Supplementary diagnostic radiographers	30	0	0	11	36.7
Trade labourers	462	9	1.9	255	55.2
TOTAL	**16,829**	**531**	**3.2**	**9,567**	**56.8**

Table 5.5 – Promotions by salary band

Salary Band	Employees 1 April 2011	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	1699	1	0.1	352	20.7
Lower skilled (Levels 1-2), Temporary	3	0	0	0	0
Skilled (Levels 3-5), Permanent	6899	128	1.9	3530	51.2
Skilled (Levels 3-5), Temporary	11	0	0	0	0
Highly skilled production (Levels 6-8), Permanent	3183	127	4	2351	73.9
Highly skilled production (Levels 6-8), Temporary	60	0	0	0	0

Salary Band	Employees 1 April 2011	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
Highly skilled supervision (Levels 9-12), Permanent	4040	246	6.1	3166	78.4
Highly skilled supervision (Levels 9-12), Temporary	91	1	1.1	14	15.4
Senior management (Levels 13-16), Permanent	171	17	9.9	120	70.2
Senior management (Levels 13-16), Temporary	1	0	0	0	0
Contract (Levels 1-2), Permanent	17	0	0	0	0
Contract (Levels 3-5), Permanent	201	0	0	1	0.5
Contract (Levels 6-8), Permanent	213	3	1.4	2	0.9
Contract (Levels 9-12), Permanent	227	8	3.5	24	10.6
Contract (Levels 13-16), Permanent	13	0	0	7	53.8
TOTAL	**16,829**	**531**	**3.16**	**9,567**	**56.85**

Employment equity

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

6.1 – Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2012

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers, Permanent	24	0	1	3	14	2	0	3	47
Professionals, Permanent	671	32	17	415	1,799	117	14	693	3,758
Professionals, Temporary	47	0	4	67	10	0	1	20	149
Technicians and associate professionals, Permanent	701	27	2	71	2,181	155	3	491	3,631

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Technicians and associate professionals, Temporary	0	0	0	0	0	0	0	17	17
Clerks, Permanent	560	36	1	51	986	122	4	310	2,070
Service and sales workers, Permanent	1,900	54	4	72	3,202	157	1	158	5,548
Craft and related trades workers, Permanent	41	8	0	66	1	0	0	0	116
Plant and machine operators and assemblers, Permanent	129	3	0	3	3	0	0	0	138
Elementary occupations, Permanent	726	41	1	42	2,331	57	0	77	3,275
Other, Permanent	13	0	0	1	13	0	0	3	30
TOTAL	**4,812**	**201**	**30**	**791**	**10,540**	**610**	**23**	**1,772**	**18,779**
Employees with disabilities	9	0	0	6	6	0	0	3	24
GRAND TOTAL	**4,821**	**201**	**30**	**797**	**10,546**	**610**	**23**	**1,775**	**18,803**

6.2 – Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2012

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	8	0	1	36	3	0	0	5	53
Senior Management, Permanent	40	1	5	48	15	2	1	24	136
Senior Management, Temporary	0	0	0	1	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management, Permanent	607	31	12	267	2,367	141	11	695	4,131
Professionally qualified and experienced specialists and mid-management, Temporary	34	0	1	41	6	0	1	9	92

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	822	60	3	158	1,724	219	5	572	3,563
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Temporary	12	0	2	16	4	0	0	25	59
Semi-skilled and discretionary decision making, Permanent	2,705	88	1	124	4,757	223	1	244	8,143
Semi-skilled and discretionary decision making, Temporary	1	0	0	6	0	0	0	3	10
Unskilled and defined decision making, Permanent	419	16	1	7	1,357	17	0	10	1,827
Unskilled and defined decision making, Temporary	0	0	1	3	0	0	0	0	4
Contract (Top Management), Permanent	0	0	0	1	0	0	0	0	1
Contract (Senior Management), Permanent	6	0	1	7	2	0	0	1	17
Contract (Professionally qualified), Permanent	81	3	2	69	86	3	3	83	330
Contract (Skilled technical), Permanent	37	1	0	4	88	4	0	84	218
Contract (Semi-skilled), Permanent	38	1	0	3	131	1	1	17	192
Contract (Unskilled), Permanent	2	0	0	0	0	0	0	0	2
TOTAL	**4,812**	**201**	**30**	**791**	**10,540**	**610**	**23**	**1,772**	**18,779**

6.3 – Recruitment for the period 1 April 2011 to 31 March 2012

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management, Permanent	3	0	0	0	0	0	0	0	3
Professionally qualified and experienced specialists and mid-management, Permanent	36	5	0	28	50	7	0	35	161
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	51	0	0	6	83	9	0	25	174
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Temporary	0	0	0	0	0	0	0	1	1
Semi-skilled and discretionary decision making, Permanent	572	20	1	12	837	21	0	19	1,482
Unskilled and defined decision making, Permanent	139	4	1	0	310	3	0	5	462
Contract (Top Management), Permanent	0	0	0	1	0	0	0	0	1
Contract (Senior Management), Permanent	2	0	0	0	0	0	0	0	2
Contract (Professionally qualified), Permanent	41	1	0	32	53	1	1	48	177
Contract (Skilled technical), Permanent	22	0	0	5	39	4	0	82	152
Contract (Semi-skilled), Permanent	41	1	0	2	67	1	1	16	129
Contract (Unskilled), Permanent	2	0	0	0	0	0	0	0	2
TOTAL	**909**	**31**	**2**	**86**	**1,439**	**46**	**2**	**231**	**2,746**
Employees with disabilities	0	0	0	0	0	0	0	0	0

6.4 – Promotions for the period 1 April 2011 to 31 March 2012

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	11	1	2	34	2	0	0	7	57
Senior Management, Permanent	25	0	2	27	11	1	1	13	80
Professionally qualified and experienced specialists and mid-management, Permanent	457	26	8	152	2,072	125	7	565	3,412
Professionally qualified and experienced specialists and mid-management, Temporary	0	0	0	0	0	0	0	15	15
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	512	45	2	118	1,276	195	5	380	2,533
Semi-skilled and discretionary decision making, Permanent	1,022	27	1	66	2,351	87	0	126	3,680
Unskilled and defined decision making, Permanent	100	8	0	0	240	5	0	1	354
Contract (Senior Management), Permanent	1	0	0	3	2	0	0	1	7
Contract (Professionally qualified), Permanent	14	1	1	6	4	0	1	5	32
Contract (Skilled technical), Permanent	1	0	0	0	4	0	0	0	5
Contract (Semi-skilled), Permanent	0	0	0	0	1	0	0	0	1
TOTAL	**2,143**	**108**	**16**	**406**	**5,963**	**413**	**14**	**1,113**	**10,176**
Employees with disabilities	7	0	0	3	6	0	0	2	18
GRAND TOTAL	**2,150**	**108**	**16**	**409**	**5,969**	**413**	**14**	**1,115**	**10,194**

6.5 – Terminations for the period 1 April 2011 to 31 March 2012

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	0	0	0	2	0	0	0	0	2
Senior Management, Permanent	1	0	0	2	0	0	0	1	4
Professionally qualified and experienced specialists and mid-management, Permanent	20	1	1	25	88	3	0	58	196
Professionally qualified and experienced specialists and mid-management, Temporary	0	0	0	1	0	0	0	1	2
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	26	2	0	8	47	1	0	31	115
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Temporary	1	0	0	3	0	0	0	0	4
Semi-skilled and discretionary decision making, Permanent	78	3	0	5	128	9	0	10	233
Semi-skilled and discretionary decision making, Temporary	0	0	0	0	0	0	0	1	1
Unskilled and defined decision making, Permanent	11	0	0	1	28	0	0	0	40
Contract (Senior Management), Permanent	0	0	0	1	0	0	0	0	1
Contract (Professionally qualified), Permanent	15	0	2	20	21	1	4	49	112

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Contract (Skilled technical), Permanent	17	0	0	6	46	2	0	35	106
Contract (Semi-skilled), Permanent	6	0	0	0	50	0	0	1	57
TOTAL	**175**	**6**	**3**	**74**	**408**	**16**	**4**	**187**	**873**
Employees with disabilities	0	0	0	0	1	0	0	0	1
GRAND TOTAL	**175**	**6**	**3**	**74**	**409**	**16**	**4**	**187**	**874**

6.6 – Disciplinary action for the period 1 April 2011 to 31 March 2012

Disciplinary action	Male				Female				Total
	African	Col-oured	Indian	White	African	Col-oured	Indian	White	
Counseling	3	0	0	0	3	0	0	-	6
Verbal warning	6	0	0	0	20	0	0	2	28
Written warning	12	1	0	3	10	1	0	1	28
Final Written Warning	22	1	0	4	18	1	0	1	47
Demotion	2	0	0		1	0	0	0	3
Dismissal	5	0	0	2	5	0	0	0	12
Suspension without pay for one month	1	0	0	0	-	0	0	0	1
Suspension without pay for two months	2	0	0	0	1	0	0	0	3
Suspension with-out pay for three months	5	0	0	0	-	0	0	0	5
Not Guilty	-	0	0	0	2	0	0	0	2
Withdrawn	6	0	0	2	3	0	0	0	11
Pending	70	0	0	1	36	0	0	1	108
TOTAL	**134**	**2**	**0**	**12**	**99**	**2**	**0**	**5**	**254**

6.7 – Skills development for the period 1 April 2011 to 31 March 2012

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior Officials and Managers	0	0	0	0	0	0	0	0	0
Professionals	0	0	0	0	0	0	0	0	0
Technicians and Associate Professionals	0	0	0	0	0	0	0	0	0
Clerks	0	0	0	0	0	0	0	0	0
Service and Sales Workers	0	0	0	0	0	0	0	0	0
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0
Craft and related Trades Workers	0	0	0	0	0	0	0	0	0
Plant and Machine Operators and Assemblers	0	0	0	0	0	0	0	0	0
Elementary Occupations	0	0	0	0	0	0	0	0	0
TOTAL	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Employees with disabilities	0	0	0	0	0	0	0	0	0

Performance rewards

To encourage good performance, the department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, and disability (Table 6.1), salary bands (table 6.2) and critical occupations (Table 6.3).

TABLE 7.1 – Performance Rewards by race, gender, and disability, 1 April 2011 to 31 March 2012

	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per employee
African, Female	3,168	10,534	30.1	23,010	7,263
African, Male	1,085	4,803	22.6	8,105	7,470
Asian, Female	10	23	43.5	136	13,614
Asian, Male	8	30	26.7	160	19,938

	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per employee
Coloured, Female	303	610	49.7	2,355	7,771
Coloured, Male	81	201	40.3	621	7,672
Total Blacks, Female	3,481	11,167	31.2	25,501	7,326
Total Blacks, Male	1,174	5,034	23.3	8,886	7,569
White, Female	867	1,769	49	10,155	11,713
White, Male	290	785	36.9	5,753	19,837
Employees with a disability	10	24	41.7	50	4,997
TOTAL	**10,477**	**34,980**	**n/a**	**84,732**	**2,422.30**

TABLE 7.2 – Performance Rewards by salary bands for personnel below Senior Management Service, 1 April 2011 to 31 March 2012

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
Lower skilled (Levels 1-2)	392	1,802	21.8	1,235	3,151	0.03%
Skilled (Levels 3-5)	2,239	8,167	27.4	9,176	4,098	0.21%
Highly skilled production (Levels 6-8)	1,327	3,633	36.5	9,784	7,373	0.22%
Highly skilled supervision (Levels 9-12)	1,762	4,227	41.7	25,771	14,626	0.59%
Contract (Levels 1-2)	0	2	0	0	0	0.00%
Contract (Levels 3-5)	0	192	0	0	0	0.00%
Contract (Levels 6-8)	1	218	0.5	7	7,000	0.0002%
Contract (Levels 9-12)	11	330	3.3	341	31,000	0.69%
Periodical Remuneration	0	278	0	0	0	0.00%
Abnormal Appointment	0	945	0	0	0	0.00%
TOTAL	**5,732**	**19,794**	**29**	**46,314**	**2,339.80**	**1.06%**

TABLE 7.3 – Performance Rewards by critical occupations, 1 April 2011 to 31 March 2012

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Administrative related	55	106	51.9	942	17,127
Agriculture related	0	1	0	0	0
All artisans in the building metal machinery etc.	52	102	51	433	8,327
Ambulance and related workers	42	1,528	2.7	369	8,786
Artisan project and related superintendents	6	8	75	62	10,333
Auxiliary and related workers	202	510	39.6	1,039	5,144
Biochemistry pharmacol. zoology & life scie. techni	0	4	0	0	0
Building and other property caretakers	9	58	15.5	29	3,222
Bus and heavy vehicle drivers	36	71	50.7	158	4,389
Chemical and physical science technicians	9	18	50	92	10,222
Cleaners in offices workshops hospitals etc.	408	1,411	28.9	1,348	3,304
Client inform clerks(switch brecept inform clerks)	31	63	49.2	169	5,452
Communication and information related	2	4	50	39	19,500
Community development workers	19	30	63.3	148	7,789
Computer system designers and analysts.	6	9	66.7	65	10,833
Dental practitioners	10	70	14.3	233	23,300
Dental therapy	0	2	0	0	0

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Dieticians and nutritionists	21	61	34.4	203	9,667
Emergency services related	8	69	11.6	154	19,250
Engineering sciences related	0	1	0	0	0
Engineers and related professionals	0	2	0	0	0
Environmental health	4	80	5	46	11,500
Finance and economics related	31	54	57.4	540	17,419
Financial and related professionals	42	91	46.2	373	8,881
Financial clerks and credit controllers	76	177	42.9	428	5,632
Fire fighting and related workers	0	4	0	0	0
Food services aids and waiters	67	181	37	239	3,567
Food services workers	2	5	40	17	8,500
General legal administration & rel. professionals	0	3	0	0	0
Head of department/chief executive officer	0	1	0	0	0
Health sciences related	874	1,997	43.8	12,045	13,781
Household and laundry workers	319	875	36.5	1,152	3,611
Household food and laundry services related	2	4	50	27	13,500
Housekeepers laundry and related workers	8	15	53.3	37	4,625
Human resources & organisat developm & relate prof	24	37	64.9	207	8,625

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Human resources clerks	124	249	49.8	812	6,548
Human resources related	12	17	70.6	168	14,000
Information technology related	1	2	50	7	7,000
Inspectors of apprentices works and vehicles	0	2	0	0	0
Language practitioners interpreters & other commun	6	8	75	51	8,500
Library mail and related clerks	36	64	56.3	181	5,028
Light vehicle drivers	30	62	48.4	104	3,467
Logistical support personnel	38	94	40.4	312	8,211
Material-recording and transport clerks	145	330	43.9	797	5,497
Medical practitioners	66	670	9.9	1,723	26,106
Medical research and related professionals	3	6	50	35	11,667
Medical specialists	149	365	40.8	5,122	34,376
Medical technicians/ technologists	8	40	20	69	8,625
Messengers porters and deliverers	91	295	30.8	306	3,363
Motor vehicle drivers	3	5	60	11	3,667
Natural sciences related	1	1	100	20	20,000
Nursing assistants	665	2,104	31.6	3,043	4,576
Occupational therapy	20	77	26	200	10,000
Optometrists and opticians	2	7	28.6	27	13,500
Oral hygiene	1	7	14.3	9	9,000

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Other administra-tion& related clerks and organisers	415	1,031	40.3	2,137	5,149
Other administrative policy and related officers	84	131	64.1	731	8,702
Other information technology person-nel.	36	58	62.1	312	8,667
Other occupations	1	2	50	13	13,000
Pharmacists	52	262	19.8	745	14,327
Pharmacologists pathologists & re-lated professionals	3	3	100	133	44,333
Physicists	6	16	37.5	138	23,000
Physiotherapy	18	83	21.7	183	10,167
Production advisers : factories	0	1	0	0	0
Professional nurse	689	2,263	30.4	7,633	11,078
Psychologists and vocational counsel-lors	10	33	30.3	221	22,100
Quantity surveyors & related prof not class elsewhere	1	1	100	13	13,000
Radiography	63	199	31.7	698	11,079
Rank: Unknown	0	30	0	0	0
Regulatory inspec-tors	6	8	75	36	6,000
Risk manage-ment and security services	1	1	100	9	9,000
Secretaries & other keyboard operating clerks	61	156	39.1	398	6,525
Security guards	2	2	100	7	3,500
Security officers	162	1,052	15.4	633	3,907
Senior managers	15	45	33.3	594	39,600
Shoemakers	0	3	0	0	0

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Social sciences related	2	7	28.6	28	14,000
Social work and related professionals	18	68	26.5	196	10,889
Speech therapy and audiology	1	22	4.5	9	9,000
Staff nurses and pupil nurses	213	756	28.2	1,173	5,507
Statisticians and related professionals	5	7	71.4	43	8,600
Supplementary diagnostic radiographers	7	28	25	38	5,429
Trade labourers	185	454	40.7	632	3,416
TOTAL	**5,822**	**18,779**	**N/A**	**50,344**	**8,647**

TABLE 7.4 – Performance related rewards (cash bonus), by salary band, for Senior Management Service

Salary Band	Beneficiary Profile			Total Cost (R'000)	Average cost per employee	% of SMS Wage Bill	Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within band				
Band A	15	83	18.1	561	37,400	70	83,902
Band B	2	71	2.8	69	34,500	10	77,083
Band C	2	36	5.6	108	54,000	20	71,681
Band D	0	18	0	0	0	0	0
TOTAL	**19**	**208**	**N/A**	**738**	**3,548.08**	**100**	**0.02**

Foreign workers

The tables below summarise the employment of foreign nationals in the department in terms of salary bands and by major occupation. The tables also summarise changes in the total number of foreign workers in each salary band and by each major occupation.

TABLE 8.1 – Foreign Workers, 1 April 2011 to 31 March 2012, by salary band

Salary Band	1 April 2011		31 March 2012		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1-2)	2	1.6	2	1.4	0	0
Skilled (Levels 3-5)	4	3.2	5	3.5	1	5.3
Highly skilled production (Levels 6-8)	7	5.6	3	2.1	-4	-21.1
Highly skilled supervision (Levels 9-12)	37	29.6	35	24.3	-2	-10.5
Senior management (Levels 13-16)	5	4	6	4.2	1	5.3
Contract (Levels 3-5)	1	0.8	0	0	-1	-5.3
Contract (Levels 6-8)	5	4	4	2.8	-1	-5.3
Contract (Levels 9-12)	59	47.2	80	55.6	21	110.5
Contract (Levels 13-16)	4	3.2	9	6.3	5	26.3
Periodical Remuneration	1	0.8	0	0	-1	-5.3
TOTAL	**125**	**100**	**144**	**100**	**19**	**100**

TABLE 8.2 – Foreign Worker, 1 April 2011 to 31 March 2012, by major occupation

Major Occupation	1 April 2011		31 March 2012		Change	
	Number	% of total	Number	% of total	Number	% change
Elementary occupations	2	1.6	3	2.1	1	5.3
Professionals and managers	118	94.4	137	95.1	19	100
Service workers	2	1.6	2	1.4	0	0
Social natural technical and medical sciences+supp	3	2.4	2	1.4	-1	-5.3
TOTAL	**125**	**100**	**144**	**100**	**19**	**100**

Leave utilisation for the period 1 January 2011 to 31 December 2011

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave (Table 9.1) and disability leave (Table 9.2). In both cases, the estimated cost of the leave is also provided.

TABLE 9.1 – Sick leave, 1 January 2011 to 31 December 2011

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)	9,181	95.8	1,121	9.4	8	2,145
Skilled (Levels 3-5)	39,521	95	4,969	41.9	8	12,591
Highly skilled production (Levels 6-8)	19,931	91.3	2,570	21.7	8	11,068
Highly skilled supervision (Levels 9-12)	21,763.5	92.1	2,863	24.1	8	22,864
Senior management (Levels 13-16)	427	90.4	57	0.5	7	1,301
Contract (Levels 1-2)	2	0	1	0	2	0
Contract (Levels 3-5)	302	87.1	58	0.5	5	86
Contract (Levels 6-8)	647	82.8	123	1	5	311
Contract (Levels 9-12)	555	90.5	106	0.9	5	721
Contract (Levels 13-16)	10.5	95.2	2	0	5	33
TOTAL	**92,340**	**93.5**	**11,870**	**100**	**8**	**51,120**

TABLE 9.2 – Disability leave (temporary and permanent), 1 January 2011 to 31 December 2011

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)	866	100	43	7.7	20	204
Skilled (Levels 3-5)	6,751	99.7	251	44.9	27	2,206
Highly skilled production (Levels 6-8)	3,481	99.9	124	22.2	28	2,005
Highly skilled supervision (Levels 9-12)	4,033	99.9	136	24.3	30	4,439
Contract (Levels 3-5)	6	100	1	0.2	6	2
Contract (Levels 6-8)	42	100	2	0.4	21	24
Contract (Levels 9-12)	28	100	2	0.4	14	27
TOTAL	**15,207**	**99.8**	**559**	**100**	**27**	**8,907**

Table 9.3 summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

TABLE 9.3 – Annual Leave, 1 January 2011 to 31 December 2011

Salary Band	Total Days Taken	Average days per Employee	Number of Employees who took leave
Lower skilled (Levels 1-2)	27,625.76	18	1,496
Skilled (Levels 3-5)	133,520.82	19	6,941
Highly skilled production (Levels 6-8)	73,765.88	21	3,472
Highly skilled supervision (Levels 9-12)	94,088.22	22	4,228
Senior management (Levels 13-16)	3,995	22	185
Contract (Levels 3-5)	1,526	16	96
Contract (Levels 6-8)	2,442	15	162
Contract (Levels 9-12)	4,554.36	17	267
Contract (Levels 13-16)	245.92	16	15
TOTAL	**341,763.96**	**20**	**16,862**

TABLE 9.4 – Capped leave, 1 January 2011 to 31 December 2011

Salary Bands	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2010
Lower skilled (Levels 1-2)	41	3	22
Skilled (Levels 3-5)	647	4	30
Highly skilled production (Levels 6-8)	597	5	36
Highly skilled supervision (Levels 9-12)	1,187	6	40
Senior management (Levels 13-16)	23	5	39
TOTAL	**2,495**	**5**	**34**

TABLE 9.5 – Leave payouts for the period 1 April 2011 to 31 March 2012
The following table summarises payments made to employees as a result of leave that was not taken.

REASON	Total Amount (R'000)	Number of Employees	Average payment per employee
Leave payout for 2011/12 due to non-utilisation of leave for the previous cycle	63,549.40	2	31,774.70
Capped leave payouts on termination of service for 2011/12	10,586,232.40	181	58,487.40
Current leave payout on termination of service for 2011/12	705,915.42	86	8,208.31
TOTAL	**11,355,697.22**	**269**	**42,214.49**

HIV and AIDS & health promotion programmes

TABLE 10.1 – Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Casualty department in the hospitals:	Provided with Personal Protective Clothing. Provided with trainings on safety. Post Exposure Prophylaxis(PEP)
Primary health care workers	Post Exposure Prophylaxis provided.
Health care workers at Theatre	Provided with Personal Protective Clothing

TABLE 10.2 – Details of Health Promotion and HIV and AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	x		Me Mabitle. GM HR Chief Director.
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and wellbeing of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	x		Employee Health and Wellness. 8 employees. Budget = R3 034769.
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	x		Short term intervention to individual employees and dependents: Awareness and Preventative programmes and referrals to external service providers.
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	x		KD. Moeketsi (EAP) Q. Oliphant (OHS) N. Manyane (Service Marketing) M. Sibiloane (HIV and AIDS)

Question	Yes	No	Details, if yes
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	x		HIV and AIDS Workplace Programme Policy.
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	x		Departmental Grievance Procedures.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	x		HCT and Health Promotion activities.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.		x	

Labour relations

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

TABLE 11.1 – Collective agreements, 1 April 2011 to 31 March 2012

Subject Matter	Date
Not applicable	

If there were no agreements, then use the following table

Total collective agreements	None

The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

TABLE 11.2 – Misconduct and disciplinary hearings finalised, 1 April 2011 to 31 March 2012

Outcomes of disciplinary hearings	Number	% of total	Total
Correctional counselling	6	4.1	6
Verbal warning	28	19.4	28
Written warning	28	19.4	28
Final written warning	47	32.6	47
Suspended without pay	9	6.2	9
Fine	0	0	0

Outcomes of disciplinary hearings	Number	% of total	Total
Demotion	3	2.0	3
Dismissal	12	8.3	12
Not guilty	2	1.3	2
Case withdrawn	11	7.6	11
Total	**144**	**100**	**144**

TABLE 11.3 – Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	% of total	Total
Abscondment	4	1.5	4
Absenteeism	56	22.0	56
Assault	5	1.9	5
Bribery	1	0.8	1
Committed a common law or statutory offence while on state premises	8	3.4	8
Contravention of an Act or Regulation	5	1.9	5
Contravention of prescribed Code of Conduct	8	3.4	8

Type of misconduct	Number	% of total	Total
Corruption	7	2.9	7
Damaged and/or caused loss of state property	3	1.4	3
Displayed disrespect	6	2.8	6
Endangers the lives of self/others	1	0.8	1
Failed to carry out a lawful order or routine instruction without just or reasonable cause	6	2.8	6
Falsified records or any other documentation	6	2.8	6
Fraud	14	5.8	14
Improper and disgraceful conduct	24	9.4	24
Insubordination	10	3.9	10
Mismanagement of state money	4	1.8	4
Misuse of state property	16	6.7	16
Poor work performance	15	5.9	15
Refused to obey security regulations	1	0.8	1
RWOPS	1	0.8	1
Sexual harassment	5	1.9	5
Sleeping on duty	3	1.4	3
Theft	21	8.2	21
Under the influence of alcohol	11	4.8	11
TOTAL	**254**	**100**	**254**

TABLE 11.4 – Grievances lodged for the period 1 April 2011 to 31 March 2012

Number of grievances addressed	Number	% of Total	Total
Resolved	103	35.2	103
Pending	188	64.2	188
Withdrawn	2	0.6	2
TOTAL	**293**	**100**	**293**

TABLE 11.5 – Disputes lodged with Councils for the period 1 April 2011 to 31 March 2012

Number of disputes addressed	Number	% of Total
Upheld (Lost)	2	1.7
Dismissed (Won)	14	11.8
Pending	73	61.9
Settled	8	6.8
Withdrawn	21	17.8
Total	**118**	**100**

TABLE 11.6 – Strike actions for the period 1 April 2011 to 31 March 2012

Total number of person working days lost	
Total number of person working days lost	326.81
Total cost(R'000) of working days lost	R84 659.04
Amount (R'000) recovered as a result of no work no pay	R0

TABLE 11.7 – Precautionary suspensions for the period 1 April 2011 to 31 March 2012

Precautionary suspensions	
Number of people suspended	18
Number of people whose suspension exceeded 30 days	15
Average number of days suspended	From 4 months up to 1 year
Cost (R'000) of suspensions	R2 696 231.38

Skills development

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

12.1 – Training needs identified 1 April 2011 to 31 March 2012

Occupational Categories	Gender	Number of employees as at 1 April 2011	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Technicians and associate professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Clerks	Female	0	0	0	0	0
	Male	0	0	0	0	0

Occupational Categories	Gender	Number of employees as at 1 April 2011	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Gender sub totals	Female	0	0	0	0	0
	Male	0	0	0	0	0
TOTAL		**0**	**0**	**0**	**0**	**0**

12.2 – Training provided 1 April 2011 to 31 March 2012

Occupational Categories	Gender	Number of employees as at 1 April 2011	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Technicians and associate professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Clerks	Female	0	0	0	0	0
	Male	0	0	0	0	0
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Gender sub totals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Total		**0**	**0**	**0**	**0**	**0**

Injury on duty

The following tables provide basic information on injury on duty.

TABLE 13.1 – Injury on duty, 1 April 2011 to 31 March 2012

Nature of injury on duty Total Employees	Number	% of total
Required basic medical attention only	**228**	**1.19**
Temporary Total Disablement	**-**	**-**
Permanent Disablement	**-**	**-**
Fatal	**6**	**0.04**
Total	**234**	**1.23**

Utilisation of consultants

Table 14.1 – Report on consultant appointments using appropriated funds

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Processing and lodging claims as well as ensuring payment to Road Accident Fund in respect of services rendered by the Department to Motor Vehicle Accident victims.	1 (Isithwalandwe Training and Research Consultancy)	3 Years	R 18,876,600.00
Strengthening the efficiency and functioning of the FSDOH	1 (Burnelia Trading t/a Wone South Africa)	92 Days	DPSA Tariffs
Planning and monitoring of construction of ARV clinics in various districts	2 (Joint venture; Thembakele Consulting Eng (Pty) Ltd and Maragela Consulting Eng (Pty) Ltd	8 Months	R 6,936,124.00
Design and construction of five modular clinics	1 (Stewart Scott Mafuri)	18 Months	R 37,798,202.80
Total number of projects	**Total individual consultants**	**Total duration: Work days**	**Total contract value in Rand**
N/A			

Table 14.2 – Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs)

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Processing and lodging claims as well as ensuring payment to Road Accident Fund in respect of services rendered by the Department to Motor Vehicle Accident victims.	100	100	1
Strengthening the efficiency and functioning of the FSDOH	0	0	1
Planning and monitoring of construction of ARV clinics in various districts	100	100	2
Design and construction of five modular clinics	40	9.26	1

Table 14.3 – Report on consultant appointments using Donor funds

Project Title	Total Number of consultants that worked on the project	Duration: Work days	Donor and Contract value in Rand
None	N/A	N/A	N/A
Total number of projects	**Total individual consultants**	**Total duration: Work days**	**Total contract value in Rand**
None	N/A	N/A	N/A

Table 14.4 – Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs)

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
None	N/A	N/A	N/A

OTHER INFORMATION

OTHER INFORMATION

Acronyms

Acronyms	Definitions
3 MIL	3 Military Hospital
ACSA	Airport company of South Africa
AFP	Acute Flaccid Paralysis
ALOS	Average Length of Stay
ALS	Advanced Life Support
ANC	Ante – natal care
APP	Annual Performance Plan
ART	Anti – Retroviral Treatment/ Therapy
ARV	Anti Retroviral
AZT	Zidovudine
BANC	Basic Antenatal Care
BAS	Basic Accounting System
BBBEE	Broad Based Black Economic Empowerment
BFHI	Baby Friendly Hospital Initiative
BUR	Bed Utilisation Rate
CAAM	Continuous Auditing And Monitoring
CCMT	Comprehensive Care, Management & Treatment of HIV and AIDS
CFO	Chief Financial Officer
CHBC	Community Home Based Care
CHC	Community Health Centre
CPD	Continuous Professional Development
DHIS	District Health Information System
DHS	District Health Services
DOT	Directly Observed Treatment
DOTS	Directly Observed Treatment Support
DWA	Department of Water Affairs
EDR	Electronic Drug Resistant Register
EGPAF	Elizabeth Glacier Paediatric AIDS Foundation
EHP	Environmental Health Practitioner
EMS	Emergency Medical Care
ENE	Estimates of National Expenditure
EPE	Estimates of Province Expenditure
CANSA	Cancer Association of South Africa

Acronyms	Definitions
EPI	Expanded Program on Immunization
ESMOE	Essential Steps in the Management of Obstetric Emergencies
FSDoH	Free State Department of Health
FSSoN	Free State School of Nursing
HAART	Highly Active Antiretroviral Treatment
HAST	HIV&AIDS/STI and TB
HCT	HIV Counselling and Testing
HTA	High Transmission Areas
ICAP	International Centre for AIDS Care and Treatment Programs
ICT	Information Communication Technology
IDP	Integrated Development Plan
IEC	Information, Education and Communication
ILS	Intermediate Life Support
IMCI	Integrated Management of Childhood Illnesses
IPT	Isoniazid Preventive Therapy
LTDOT	Long Term Domiciliary Oxygen Therapy
MDG	Millennium Development Goal
MDR-TB	Multi Drug Resistant Tuberculosis
MHRB	Mental Health Review Boards
MHS	Municipal Health Services
MMC	Medical Male Circumcision
MMR	Maternal Mortality Ratio
MTEF	Medium Term Expenditure Framework
NCCEMD	National Committee on Confidential Enquiries into Maternal Deaths
NDoH	National Department of Health
NHLS	National Health Laboratory Services
NIMART	Nurse Initiated Management of Anti- Retroviral Treatment
NPO	Non-Profit Organisation
OPD	Out Patient Department
OSD	Occupation Specific Dispensation
PCR	Polymerase Chain Reaction
PCV	Pneumococcal Conjugate Vaccine
PDE	Patient Day Equivalent
PEP	Post Exposure Prophylaxis
PFMA	Public Finance Management Act

Acronyms	Definitions
PHC	Primary Health Care
PICT	Provider Initiated Counselling and Testing
PLWA	People Living With HIV and AIDS
MTCT	Mother to Child Transmission
PMTCT	Prevention of Mother to Child Transmission
PPIP	Perinatal Problem Identification Program
CHPPIP	Children Health Problem Identification Programme
PPPFA	Preferential Procurement Policy Framework Act
PSMM	Professional Skills Mix Model
QIPs	Quality Improvement Plans
RV	Rotavirus
SAC	Senior Admin Clerk
SANAC	South African National AIDS Council
SANS	South African National Standards
SCM	Supply Chain Management
SDF	Step Down Facility
SDIP	Service Delivery Improvement Plan
SETA	Sector Education and Training Authority
SMME	Small Medium Micro Enterprise
STI	Sexually Transmitted Infection
STP	Service Transformation Plan
TOP	Termination of Pregnancy
UAH	Universitas Academic Hospital
UNICEF	United Nations Children's Funds
MEC	Member of Executive Council
VCCT	Voluntary Confidential Counselling and Testing
WHO	World Health Organisation
XDR-TB	Extreme Drug Resistant TB
STATS SA	Statistics South Africa
HSRC	Human Sciences Research Council
GP	General Practitioners
TP	Traditional Practitioners
SLA	Service Level Agreement
GMT	Government Motor Transport
PPT	Planned Patient Transport
NGO	Non Governmental Organizations

Acronyms	Definitions
SANDF	South African National Defence Force
GRAP	Generally Accepted Accounting Principles
IT	Information Technology
EPWP	Expanded Public Works Programme
SAPC	South African Pharmacy Council
QRS	Quarterly Review System
O&G	Obstetric & Gyneacology
COHSASA	Council for Health Service Accreditation of South Africa
NHI	National Health Insurance
ICU	Intensive Care Unit
ABET	Adult Basic Education and Training
FET	Further Education and Training
MUCPP	Mangaung University of the Free State Community Partnership Programme
FSSON	Free State School of Nursing
PPP	Public Private Partnership
PSCBC	Public Service Coordinating Bargaining Council
RWOPS	Remunerative Work Outside Public Service
SOP	Standard Operating Procedures
HDI	Historically Disadvantaged Individuals
EU: PDPHCP	European Union- Program of Partnerships for the Delivery of Primary Health Care Programs
M&M	Monthly Morbidity
M&E	Monitoring & Evaluation
DHMIS	District Health Management Information System
MCWH&N	Maternal, Child, Women's Health and Nutrition
SOPA	State of the Province Address
GS	Governance Structures
DHP	District Health Plan
AOP	Annual Operational Plan
QPR	Quarterly Progress Report
MHRBs	Mental Health Review Boards
FSTDI.	Free State Training and Development Institute
HOA	Home Owners Allowance
OHS	Occupational Health & Safety
EAP	Employee Assistant Programme
FHW	Free State Health

List of contact details

1) Mr B.J. Oliphant
Senior Manager: Strategic Management Directorate

Tel: 051 - 408 1445 or Cell: 083 381 9448
Fax: 051 – 4081078/4081328
Email: OliphanB@fshealth.gov.za

2) Me. N.I. Plank
Senior Manager: Office Support to Executive Management Directorate

Tel: 051 - 408 1531
Fax: 051 – 4081078/4081328
Email: PlankN@fshealth.gov.za

Notes