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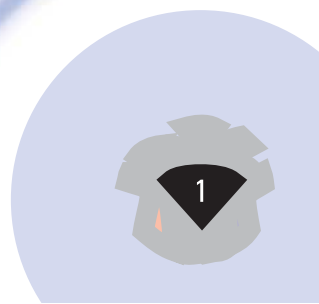
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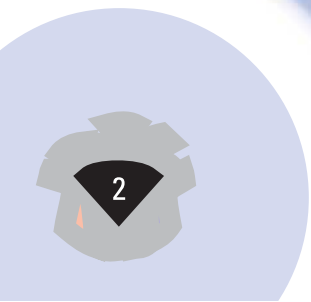
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Part 1: Strategic Vision

Vision

To achieve optimal health status for all persons in the Province of KwaZulu-Natal.

Mission Statement

To develop a sustainable, co-ordinated and comprehensive health system at all levels based on the Primary Health Care approach through the District Health System.

Core Values

*Trust built on truth, integrity and reconciliation;
Open communication, transparency and consultation;
Commitment to performance;
Courage to learn, change and innovate.*

Legislative Mandate

The Department is currently functioning in terms of the Provincial Hospitals' Ordinance, 1961 (13/1961). However, the Department will be aligning itself to the Provincial Health Act, 2000 (Act 4 of 2000) which was passed on the 13th September 2000 and which will commence on a date determined by the Minister by notice in the Provincial Gazette. Regulations to the Provincial Health Act are in the process of being finalised and should be published within the new financial year.

Other legislation which governs the operations of the Department are:-

Health Act, 1977
Human Tissue Act, 1983
Mental Health Act, 1973
National Policy for Health Act, 1990
Provincial Hospitals' Ordinance, 1946
Provincial Hospitals' and General Services' Pension Ordinance, 1955
Sanitary Regulations in Rural Black Areas, 1968
Provincial Hospitals' Amendment Ordinance, 1985
KwaZulu Medical and Surgical Treatment Act, 1986
Public Finance Management Act, 1999

Batho Pele Principles

Consultation

Service Standards

Access

Courtesy

Information

Openness and transparency

Redress

Giving Best Value

*Encouraging Innovation and Rewarding
Excellence*

Customer Impact

Leadership and Strategic Direction



Patients' Rights Charter

Every patient has a right to

Healthy and safe environment

Participation in decision-making

Access to health care

Knowledge of one's health

Insurance/medical aid scheme

Choice of health services

Treated by a named health care provider

Confidentiality and privacy

Informed consent

Refusal of treatment

A second opinion

Continuity of care

Complaints about health services

Organogram



Dr ZL Mkhize
Minister of Health



Professor RW Green-Thompson
Head of Department



Mr HAW Conradie
Chief Financial Officer



Professor SJH Hendricks
Deputy Director-General:
District Health System



Mr GE Mkhize
Senior Manager:
Human Resource Practices



Dr S.M. Zungu
Senior Manager:
Institutional Support Services

Note: The Post of Deputy Director-General: Human Resource Management and Planning is currently vacant.

Part 2:

Report of the Executive Authority



Dr ZL Mkhize
Minister of Health

It has been a privilege for me to have been a part of the growth of the Provincial Department of Health for the last ten years and it my pleasure to reflect on the achievements, challenges and activities of the Department for the first ten years of the new democratic Government. As this is the last annual report for this period, it is an opportunity to look back and evaluate progress made over the decade of freedom, and to assess the challenges ahead of us.

The major challenge that faced the new Department of Health was to integrate the disintegrated services and create a single department that is efficient and capable of responding to the service requirements of the people of KwaZulu-Natal. This assignment was accomplished. The last few years has seen the successful restructuring of the Department according to the health needs of the Province as well as in line with the different levels of care, thus culminating in taking service delivery to our people in the Province through the primary health care approach. In addition, decision-making has been devolved to the structures closest to the communities who utilize the services.

The health districts are coterminous with the local government boundaries. The full devolution of health services will obviously take long to be effected. This is due to the fact that the devolution strategy is being finalized at national level, whereas the capacity of local municipalities has to be carefully assessed. The programme for socio-economic development has made a tremendous contribution in the improvement of the health status of many of our people. For this reason, the success of the health service delivery system will always depend on the effectiveness of the multi-sectoral interventions.

South Africa has the dichotomy of first world conditions co-existing with the third world conditions, and a similar situation pertains in the Province of KwaZulu-Natal. This dichotomy necessitates that a balanced approach be maintained in the provision of health care. There has been a consistent effort to balance the Primary Health Care approach with the Curative Care. The maintenance, upgrading and revitalization of hospitals have been one of our priorities, involving the improvement of the buildings and the quality of care offered in these institutions. The construction and

commissioning of the Inkosi Albert Luthuli Central Hospital must be seen in the context that it is necessary to create a center of excellence wherein the most complicated medical interventions are possible. This facility stands as a symbol of world-class medical advancement, and the best hospital in the African continent. It is a national statue in memory of a giant of the South African liberation struggle, the first Nobel Prize Laureate in the history of our country.

The Primary Health Care approach has ensured that health services are available to communities who have been marginalized. A total of 121 new clinics have been completed since 1996, bringing services to communities that have not had any such services before. New buildings have replaced 26 old clinics, and many others have been upgraded. This has resulted in the annual number of clinic attendances rising from 1,6 million in 1996 to 16 million in year 2001. This has been accompanied by a similar reduction in the annual attendance at hospital out-patient departments. From 1996 to 2001, the annual attendance has dropped from 5 million to 4 million. Immunisation cover has increased from 67% to 86% between 1994 and 2001, with new vaccine for Hepatitis B and Haemophilus influenza having been added.

The major challenge of HIV/AIDS has begun to reverse the gains of Primary Health Care. The introduction of Prevention of Mother to Child Transmission of HIV using Nevirapine, has been expanded to 46 hospitals and it is planned that it will be extended to all clinics in the next 12 months. Counselling and testing services as

well home-based care in the community have been increased. The cost of upgrading services to accommodate the new services requires substantial funds to be injected into the health services. The cost of health services has significantly gone higher as a result of the epidemic. This requires that additional finances be added into the health budget; otherwise it is a choice between good health care and good book keeping. The numbers of patients who visit our health services for HIV related diseases are becoming unmanageably large. The investment so far done in the health services requires that the use of anti-retroviral treatment be part of the treatment regimen in dealing with ill health. The application to the Global Fund against AIDS, Tuberculosis and Malaria, will offer an opportunity for a programme on anti-retroviral medication to begin, however in a humble way.

I am convinced that the commitment of the staff in the Department will rise to meet any challenge if adequate resources have been made available. The record of tremendous success in the campaign against malaria and cholera is proof of their capability. KwaZulu-Natal has made a contribution towards the elimination of polio, measles, and the reduction of neonatal tetanus. We have accepted the Presidential challenge to eliminate malaria by the year 2007. We are committed to see this target being realised.

It remains our major concern that the level of remuneration has not improved to the extent that it stems the tide of staff exodus. Many who leave the services in search of greener pastures, have worsened the state of our human

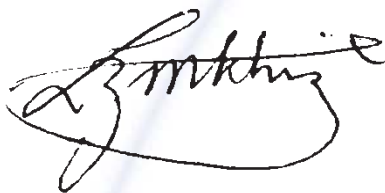
resources. This has resulted in a vicious cycle of overloaded services, understaffing, declining staff morale and deterioration of the quality of health care.

I must pay tribute to those members of our staff who have remained loyal to the Department.

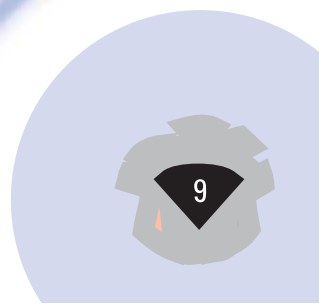
I wish to commend the management and the entire staff of the Department of Health for their dedication and hard work. Their perseverance over the years through all the challenges that the health services face, their contribution has made an impact in the improvement of the lives of many. The cooperation I have received from all the members of this Department have made the past ten years the most fulfilling time of my life.

I wish you all well in your future endeavours.

Thank you



Dr Z L Mkhize
Minister of Health
KwaZulu-Natal



Part 3:

Report of the Head of Department



Professor RW Green-Thompson
Head of Department

Introduction

It is a pleasure to provide a report for the financial year 2002/2003 which is an enriched one in the format that was introduced for 2001/2002. This annual report provides a comprehensive account on the activities of the Department for the financial year 2002/2003 and relates them to the financial statements. It will be seen that the Department has done well and has provided significant health care services to the people of the Province that we serve.

The successful delivery of a quality and compassionate health care service is dependent upon a co-ordinated and strong team effort. I must thank all members of the Department that have contributed to this effort both as individuals and as a collective. There have been many challenges and the majority of them met. There have been many achievements, some of which have been outstanding. We must however not be blind to the non-achievements, we must identify them, establish why they have occurred and come up with solutions such that in the following year they are addressed.

The population of the Province in accordance with the 2001 Census, which has been released in July 2003, is 9,4 million people, with the figure broken down further into 4,4 million males, 5 million females, 5 million adults (over the age of 20) and 4,4 children (under the age of 20). The

further breakdown shows that 53% are urban and 47% rural, 1,6 million are employed and 1,5 million are unemployed with 2,6 million not economically active. 1 526 766 have safe water and 1 749 133 have basic sanitation, 1 281 415 have electricity, 219 740 have telephones. These statistics are a challenge to our Department as they impact on the demand for our services. These census figures need also to be considered with the disease patterns and profiles as well as the poverty statistics as both impact further on our services.

The Department's priorities are aligned to the Provincial Priorities as well as to the National Department of Health 10-Point Plan and National Priorities and they in turn drive the activities of the Department. The goals and objectives of the Department were based on the aforementioned Provincial priorities and the strategic plans of the Department were thus accordingly aligned to ensure the desired outputs.

The census figures and the prevailing burden of disease clearly showed that our Province has two worlds existing side by side, that is, a first world and a third world. This is a challenge that the Department has to meet. HIV/AIDS, Tuberculosis and cardio-vascular diseases are the three main causes of mortality in the Province, which reflects the epidemiological transition of the developed and the developing worlds, which co-exist. The

breakdown of the deaths for districts shows that poverty relates to the mortality patterns of the diseases.

The workload of the Department is reflected in the report but it is worth highlighting a few which portrays the bigger picture. ***Emergency Medical Rescue Services responded to 338 851 calls and transported 330 071 patients to hospital. The average response time for the urban area was 47 minutes and for rural areas 135 minutes. The target for the urban areas is half an hour to 1 hour whereas in rural areas it is 1 to 2 hours. We should be closer to achieving these targets in the next financial year as additional Emergency Care Vehicles and Emergency Care Practitioners have and are being purchased and appointed respectively.***

During the reporting period, 135 549 babies were born, 181 149 operations were conducted, 1 020 906 ante-natal visits were recorded, 17 139 007 patients attended primary health care facilities, namely clinics and community health centres and 4 312 151 outpatients were attended to at provincial hospitals, namely, district, regional, tertiary, central and specialized hospitals. This translates into one baby born every 3 minutes, 171 ante-natal patients attendees seen every hour and 1 956 outpatients attended to at clinics and community health centres per hour. There is one operation done every 3 minutes and 492 outpatients seen every hour in provincial hospitals.

The Department is well on the way to meeting the target of being Polio free by the year 2003. During the period under review, the target of acute placid paralysis cases was 34 and 30 were detected. The target should be met in the next financial year.

Poverty and inequality are the fundamental scourges of our Province. The eradication and/or reduction of poverty, inequality and HIV/AIDS remain a major challenge for the Department as well as emerging and re-emerging diseases both communicable (Tuberculosis, Cholera and Malaria in particular) and non-communicable (Cardio-vascular inclusive of Hypertension and Diabetes amongst others). The Provincial Priorities accurately reflect the challenges of the Department as the morbidity and mortality patterns bear testimony to this. ***The Department addresses poverty within its competence by providing free preventative, promotive and curative health care to the poor, free health care within the District Health System at clinics and community health centres, providing a nutrition programme to school children in collaboration with the Department of Education while at the same time building empowerment through sustainable clinic and hospital garden projects.***

The prevalence and incidence of HIV infections in the Province is estimated as 12 and 13% respectively. In addition the prevalence amongst pregnant women in the Province has been recorded at 36% of HIV positive mothers at the ante-natal clinics. In the Prevention of Mother to Child Transmission Programme (PMTCT) 47 305 patients were provided with pre-test counselling, 38 604, that is, 82% volunteered to be tested and 13 760 were proved to be HIV positive, which is 36%. Over 40 to 60% of patients in the medical and paediatric wards of our hospitals are HIV positive and in some hospitals the figure is as high as over 70%. This places an enormous load on the Department's resources and health services. It is significantly denting our budget as the patients admitted are sick, need expensive support therapy and care, re-attend and/or are re-admitted on an ongoing basis. This confirms

that HIV/AIDS warrants the attention being accorded to it in our Province and must be factored in for budgetary allocations so that our Department does not have to compromise other health care because of the huge dent and skew caused by it on our resources and our budget.

Further progress has been made in addressing inequality. The Department is committed to equity and has continued to move resources accordingly. This is reflected by the creation of further posts in previously disadvantaged and underserved areas, the movement of budget to such areas as well as the provision of health facilities particularly clinics and community health centres, emergency medical rescue services and the provision of medical equipment in these areas.

The three components, namely, Institutional Support Services, District Health System and Emergency Medical Rescue Services that provide the core functions of the Department must be commended and complimented for the progress made and the good work that they have done. They are encouraged to do even better in the next financial year and to overshoot their targets. The detailed workload is reflected in the annual report.

The following are a few further highlights achieved during the year:

A total of seven (7) new clinics were planned and successfully constructed and a further seven clinics received major upgrades. A total of 56 new/replacement mobile clinics were purchased.

The turn around time for TB results improved from 72 hours to 48 hours in 5 districts and the improvement in turn around times in other districts ranged from 41% to 95%. A further improvement was the implementation of an electronic TB register in the 10+1 districts.

The cataract surgery rate achieved was 762 per million during the reporting period against a target of 1 000 per million per year.

Immunization coverage reached a high of 89% across all the districts with a drop out rate below 10%.

Within allocated resources 2 709 out of 3 885 schools participated in the Nutrition Programme which reached 1 222 225 learners.

440 Households participated in 22 identified nutrition projects of which 19 were successfully completed.

Six further institutions achieved Baby Friendly Health Status, which brought the total in the Province to 18.

The malaria case fatality rate was reduced from 0,5 to 0,29.

118 VCT sites were established and 55 400 people were tested for HIV/AIDS at these sites.

17 drop-in centres for the Integrated Plan for children infected and affected by HIV/AIDS were established and 25 765 orphans benefited from this service.

An additional 44 emergency medical and rescue vehicles were deployed during peak holiday periods at identified hot spots on national roads which improved access for trauma patients to emergency medical rescue services.

The management structure for hospitals was successfully finalized and key management posts were filled. Management structures and systems for effective service delivery were established at our institutions.

A total of 1 035 additional nurse training posts were created, which doubled the 2001/2002 intake by more than 100%.

Leading the Department into the future with advanced technology in quaternary care, is the Inkosi Albert Luthuli Central Hospital, which was officially opened on 22nd November 2002, by His Majesty, King Goodwill Zwelithini and the Honourable Deputy President, Mr J Zuma. The Department received international recognition by scooping the "Africa Health PPP Deal of the Year – 2002" award.

The clinical and non-clinical support services have done well. Much has been achieved and it is envisaged that the identified gaps will be addressed and overcome. The important role that they play must not be underestimated. It is not always recognized that although the Department of Health treats patients or operates on patients that this can only be done effectively if we have the right people in the right place doing the right thing with the right tools for the right reasons. The Department would not be able to provide our patients with optimal quality and compassionate care without such support services that enable us to succeed and allow the core components do their job.

Much progress has been made in financial management in the Department in accordance with the Public Finance Management Act. Our institutions and the various components at the Head Office are responsible for their budgets and carefully monitor expenditure while at the same time being entrepreneurial to avoid cut in services. The detailed financial statements and Auditor-General's Report are provided. Improved utilization of financial and other resources has been achieved, improved value for money obtained and a greater consciousness of cost

and budget control has been realized. A greater awareness and identification of risks, the rigorous efforts to combat fraud and corruption and the strengthening of our Internal Audit and Risk Management components as well as a Special Investigations Unit respectively, is paying dividends. In this regard "Operation Cure", was successfully implemented with 169 officials and 41 private individuals being arrested.

Human resource management is important. The skills mix for a Department of Health is a complex one. This is critical for the Department to succeed and fulfill its statutory obligations. Amidst the dwindling pool of health professionals in the country, the skew of health professionals between the Provinces and the attrition rate, we have managed to succeed. This has been achieved by the commitment of staff, the will to succeed and their intrinsic resilience. All staff must be commended for this. To address the shortage of nurses, our nursing colleges doubled the student nurse intake. Further efforts need to be made to encourage the tertiary education institutions to increase the required number of health professionals trained in the identified occupational classes.

There is an ever-growing synergy amongst all the core and support components of our Department, bonded by our common vision and mission to succeed. To every member of staff, as individuals and collectively, once again, I wish to say thank you.

The Department's activities inclusive of achievements and challenges for the 2002/2003 financial year are detailed in this report.

Financial Overview

VOTED FUNDS R6 995 729 000

Total amount appropriated for the financial year 2002/2003:
R7 419 706 000

Responsible Minister: **Dr Z.L. Mkhize**

Accounting Officer: **Professor R.W. Green-Thompson**

Budget Allocation

An amount of R 6 995 729 000 was appropriated in terms of the Medium Term Expenditure Framework requirements for the 2002/2003 financial year. This amount constitutes an increase of 9,64% when compared with the budget allocation of the previous financial year. The allocation is summarised as follows:

Budget Allocation	2002/2003 R ' 000	2001/2002 R ' 000
Administration	133 004	111 950
District Health Services	3 697 619	3 061 809
Provincial Hospital Services	1 927 168	1 991 629
Central Health Services	679 748	540 234
Health Sciences and Training	183 066	159 962
Auxiliary and Associated Services	374 598	514 467
Statutory Payments	526	487
Total Budget Allocation	6 995 729	6 380 538

Over/Under-spending

The over expenditure of R 75 725 000 is primarily due to inadequate funding as stated in the financial statements.

Summary of Budget Allocation and Expenditure Incurred 2002/2003	R ' 000
Original Budget allocation (incl. statutory payment)	6 995 729
Adjustments Estimate (excluding roll-overs)	422 003
Roll-over of conditional grants 2001/02	1 974
Budget appropriated	7 419 706
Total expenditure excluding losses (incl. statutory expenditure)	7 495 431
Sub-total over expenditure for 2002/2003	
Roll-over of conditional grants 2002/03	0
Over expenditure for 2002/2003	(75 725)

Spending trends

Please refer to the Financial Management report for details of the spending trends. (Pages 104 - 111)

Programme Review

Vote 7 is made up of six (6) Programmes, namely:

- Administration
- District Health Services
- Provincial Hospital Services
- Central Health Services
- Health Sciences and Training
- Auxiliary and Associated Services

The purpose and expenditure of each of these Programmes is detailed in the Management Report as part of the Annual Financial Statements.

Free Services

In terms of National Policies, free services are extended to certain categories of patients, for example, pregnant women, children under 5, certain communicable diseases, the aged and persons with disabilities.



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PROGRAMME 1: Administration

This programme consists of the following sub Programmes :

- Minister
- Management

Aim

The aim of this programme is to conduct the overall strategic management of the Department, and the administration of the Department.

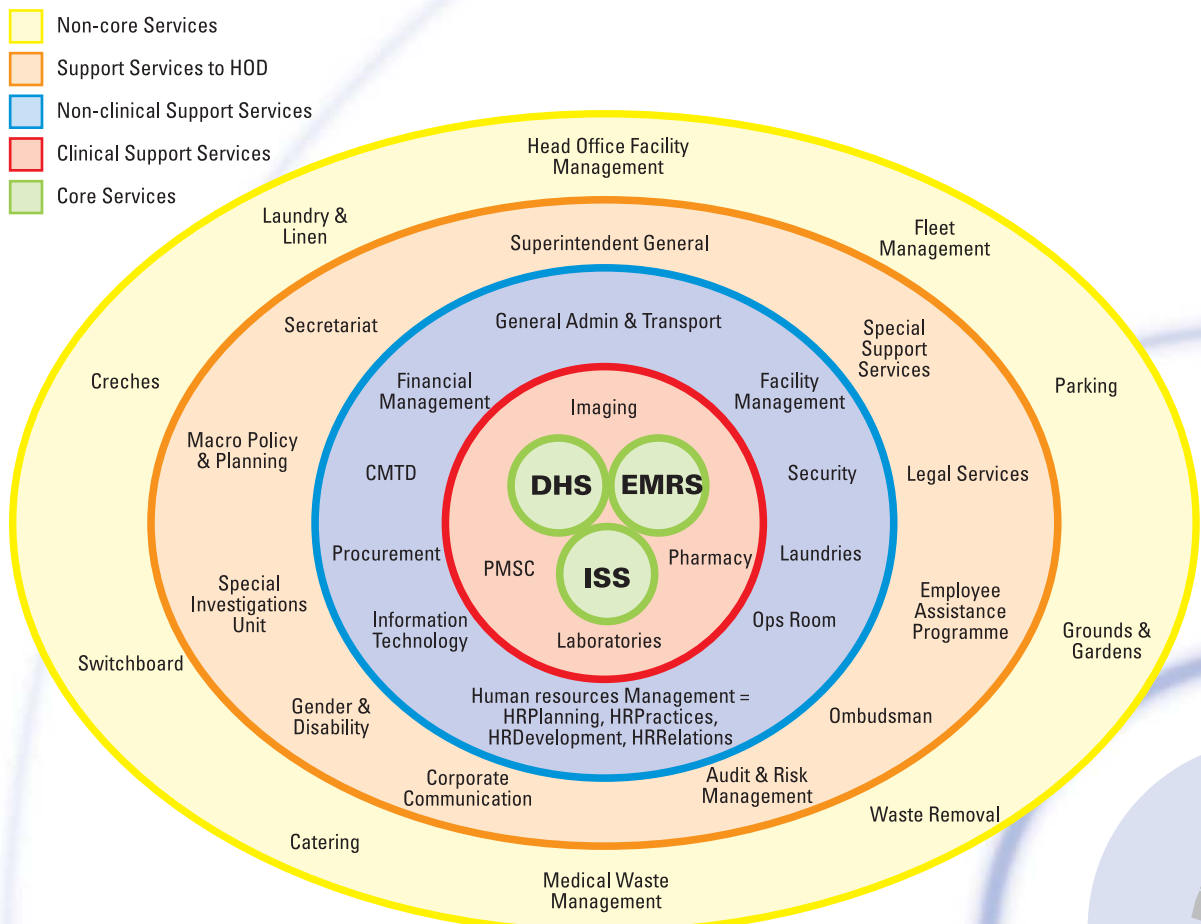
The following two sub-programmes (with specific objectives) collectively contribute to the overall aim of this programme:

Minister, with the specific objective of ensuring that the Department meets the health needs of

the people of the Province and that the delivery of health services are in line with the policies and prescripts that prevail; and

Management, with the specific objective of providing overall strategic leadership and management, formulating policies within the scope of health care, based on the legislative mandates, prescripts and regulations, thus ensuring that the Vision, Mission and Core Values of the Department are realised.

Alongside the core pillars of the Department are a host of support functions that are both clinical and non-clinical in nature. This is depicted in the pictorial diagram below :



Apart from providing strategic leadership to the health districts, institutions and Emergency Medical Rescue Services, these support services ensure that operational issues relating to effective and efficient management of all resources, namely, physical, human and financial are optimised.

Policy and Developments

Employee Assistance Programme (EAP)

The Employee Assistance Programme, in demonstrating its concern for the emotional and social well-being of its employees, developed the strategy for the Programme and introduced the EAP policy to all Provincial health institutions. Training was initiated for EAP Practitioners at hospitals and counselling and life skill services were available to those employees in need.

Epidemiology and Health Indicator Unit

The finalisation of the organisational structure and the filling of key positions in this component led to greater efficiency in the compilation, analysis and communication of appropriate epidemiological information. This assisted in the development of evidence-based strategies to conduct disease surveillance, monitoring and evaluation of health programmes and to work in an inter-sectoral manner to promote an effective system for the collection and utilisation of morbidity information. The Unit introduced the "Quarterly Epidemiology Bulletin" which assists management in health planning.

Forensic Medico-Legal Services and Bio-Ethics

Private medical practitioners have been appointed as service providers. The Department was

successful in decentralising and integrating medical service providers into either the District Health System or Institutional Services.

Gender Focal Point

National and International policies/instruments were used to promote and ensure that gender was incorporated in all Departmental activities. This included the South African National Framework for Women's Empowerment and Gender Equality as well as the National Gender Policy Guidelines for the Public Health Sector.

Informatics

During the period under review the Information Technology Policy and Procedures manual was finalised as prescribed and is accessible on the Department's website.

The Statistical Information Report has been revised with a view to improving the management information available for informed decision-making.

A video conferencing facility has been established in the Natalia Building with the assistance of the Italian Co-operation, and this has proved to be of immense value with regard to tele-conferencing on health matters.

Laboratory Services

The collection and transportation of specimens from clinics in 5 Districts improved from once a week to three times a week and this is regarded as 100% compliance. The turn around time was reduced from 72 hours to 48 hours. Improvement in turn around times in other Districts ranged from 41% to 95%.

Report of the Head of Department

Orthotic and Prosthetic Services

In an attempt to expand services a total of 10 275 orthotic and prosthetic aids were supplied to patients in KwaZulu-Natal. This represented an 8% increase on aids supplied during the previous financial year. Outreach Orthotic and Prosthetic Clinics were commenced at Mseleni, Mosvold, St Appolinaris, Newcastle and St Andrews Hospitals. These services are now available at 35 hospitals in the province.

Pharmaceutical Services

The implementation of the Essential Drug Programme (EDP) was addressed as a priority. The alignment of medicines available at Primary Health Care (PHC) clinics with the Essential Drug List (EDL) has been completed in KwaZulu-Natal and these are available at all clinics.



The training of Pharmacists (Community Service Pharmacists), Pharmacy Interns and Pharmacy Support Staff in the necessary skills relevant to the Department's core functions has assisted in ensuring that pharmaceutical services are improved upon especially in the underserved and rural areas. The Health and Welfare Sector Education and Training Authority has established learnerships for Pharmacist's Assistants. Training

has been provided by the Health Science Academy with the assistance of donor funding from South African Drug Action Programme and the skills development fund. By the end of the reporting period there were 167 registered learners.

Procurement

In order to ensure an equitable and efficient provisioning system, the latest procurement legislation and policy relating to the Department of Health was made available to all officials on 21 November 2002. The applicable documentation included the KwaZulu-Natal Procurement Act No. 3 of 2001, Regulations in terms of the Act, General Conditions and Procedures for Procurement (ZNT 6), Procurement Procedure Manual (ZNT 7) and the Procurement Delegations. Roadshows and training workshops were embarked upon to educate staff on the latest procurement prescripts.

Private Hospitals

The private health sector is an important component for the delivery of health care in the Province. As such a total of 38 inspections were conducted to ensure that private hospitals were in compliance with the norm and standards for health care delivery. A total of 21 new applications for licences were also assessed.

Special Investigation Unit and Security Services

Officials have been empowered in fraud and corruption investigative techniques by undergoing a rigorous training programme offered by the South African Police Services Training College. This has led to the unit being more effective and efficient in dealing with fraud and corruption

Report of the Head of Department

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cases, with special reference to a better understanding with the procedure that is followed from the initiation of a case to its finality, the interpretation of criminal procedure with a view to successfully securing a conviction. The unit has also been progressive by spearheading a police-registered project "Operation Cure" which to date has resulted in the arrests of 169 officials and 41 private individuals/suppliers during the year. This resulted in numerous disciplinary hearings and the subsequent termination of guilty officials. The Department, in an attempt to tighten security both for the safety and security of patients and of staff, has moved towards restructuring the Security Services by creating key managerial posts and also by outsourcing security services in certain circumstances.

Further systems have been initiated to improve the collection of revenue and training was given to all the institutions in the implementation of the Uniform Patients' Fees Schedule (UPFS).



Senior Management hard at work

Finance

The main focus was to continue with the devolution of the budget process to the Districts. Special attention was given to the restructuring of the Health Department's financial information in terms of the requirements of the Strategic Positioning Statement (SPS). This document emphasises the need for the Province's Health Services to restructure its services by moving funding and infrastructure from the higher, more sophisticated levels of health care to the less expensive, lower levels of care, in order to meet the health service demands imposed by the concomitant pandemic of HIV/AIDS and Tuberculosis.

Output and Service Delivery Trends

Outputs	Service Delivery Indicators	Status and Comment
EMPLOYEE ASSISTANCE PROGRAMME		
Promote the psychological wellbeing of employees in the Department	Developed a policy in line with national and international policies. Counselling services have been made available to staff in need	Ongoing counselling services available
Capacity building of EAP practitioners.	A total of 75 EAP practitioners were trained in various institutions	Training ongoing
Establishment of work site EAP services at institutional level	Functional EAP work sites have been established at 22 hospitals and 1 clinic	Process ongoing until all institutions are covered
EPIDEMIOLOGY AND HEALTH INDICATOR UNIT		
Compile a Global Burden of Disease for KZN to inform health planning and resource allocation	A survey of Morbidity and Mortality Profiles in Public Sector Hospitals was initiated An analysis of mortality data for KZN to identify local patterns of mortality and improve quality of vital registration was initiated	Currently in the implementation phase. Awaiting data from Stats South Africa
Quarterly Epidemiology Bulletin to improve health planning using information for decision-making	1 000 of first edition printed and distributed	Second edition to be distributed shortly
Training of health care workers in outbreak management	Training in outbreak investigation and management completed in 3 Districts	Process ongoing for the remaining Districts
FORENSIC MEDICO-LEGAL SERVICES AND BIO-ETHICS		
Appointment of PTDS as Service Providers and decentralisation of the Administration of the services to the Districts	80 Service Providers were appointed from 01/04/2002, an increase of 200%. Services were decentralised to District level	Successfully completed
Development of forensic training programmes for health care personnel	20 forensically trained health care personnel at District level and at Institutions	Of the total of 40 students, 34 successfully completed the course. Of the 34, only 20 remain in the service. Course still to be accredited
GENDER FOCAL POINT		
Creation of awareness on gender issues throughout the Department	Gender sensitization activities have been done at 26 institutions	Creation of awareness on gender issues is happening on an ongoing basis, based on new developments as well as needs identified. Districts and Institutions have been sensitized on gender issues including the existence of Gender Focal Points
Ensure gender mainstreaming in all Departmental activities as well as in partnership with NGO's, CBO's and FBO's	17 Gender sensitive activities took place and more than 20 campaigns on fighting violence against women and children or gender based violence were launched	Gender mainstreaming is ongoing. All Programmes have been sensitized

Report of the Head of Department

Outputs	Service Delivery Indicators	Status and Comment
INFORMATICS		
To implement a practical computer training system to ensure the elimination of IT skilling backlog	Findings of evaluation led to 4 additional Computer Training Centres being established and the identified 1 147 staff were successfully trained	Finalised and successfully achieved. Advanced courses currently being planned
To pilot the installation of the Intranet Kiosk System	Two pilot kiosks have been installed at Grey's Hospital and the Imbalenhle Community Health Centre	The pilot has been successful and a number of additional sites, mainly CHC's, have been identified for the installation of kiosks
To establish telehealth systems in certain hospitals to enable tele-education to take place between these sites and the Nelson R. Mandela School of Medicine	Equipment has been installed into Grey's, Edendale, Madadeni, Ngwelezane, Stanger, Mahatma Gandhi, King Edward VIII, Port Shepstone, G.J. Crookes and Osindisweni hospitals. Tele-health system available to all health care workers	Successfully accomplished
LABORATORY SERVICES		
Replacement of outdated technology	80% less breakdowns achieved through the replacement process	Further upgrading in the process
Improve efficiency in dealing with tests related to communicable diseases	Improved turn around time for TB results from 72 hrs to 48 hrs in 5 Districts (100%)	Improvement in turnaround times in other Districts range from 41% to 95%
Improve the quality of laboratory investigations	Average percentage improvement from 75% to 85%	A dedicated team has been established for the assessment of quality assurance reports and follow-up actions
PHARMACEUTICAL SERVICES		
Ensure the availability of drugs at all PHC clinics in line with the EDP and EDL	Achieved 95% implementation of the EDL at all PHC clinics	Completed and monthly management and monitoring in progress
Adequate and appropriate supply of medicines to all health facilities	Implementation of direct delivery of medicines to all clinics from PMSC	230 clinics are currently receiving direct deliveries. The rest are on schedule for inclusion
Development of capacity through training	A total of 307 staff were trained in various aspects of pharmaceutical services	Ongoing with the challenge to be able to stem the rapid staff turnover
PROVINCIAL MEDICAL SUPPLY CENTRE		
Ensure the availability of drugs for Special Projects:		
• Diflucan Partnership Programme	Implemented in all hospitals and CHC's. An average of 2 200 prescriptions were dispensed each month	Successfully implemented
• PMTCT	Implemented in all hospitals in the current phase of the project whereby Nevirapine and HIV rapid test kits are available	Ongoing
• PEP for survivors of rape	A total of 1 180 cases treated for PEP for a 5-month period and a total of 388 cases treated for OPEP with ARV's	Drugs available at all approved facilities

Report of the Head of Department

Outputs	Service Delivery Indicators	Status and Comment
PROCUREMENT		
Finalisation of Department of Health Procurement Delegations	Policy document was finalised on 21 November 2002 and distributed throughout the Department	Successfully completed
Successfully award tenders for the procurement of supplies and services	62 tenders were adjudicated and awarded. 329 items were dealt with by the Tender Award Committee. 21 meetings were held and no appeals were made against the decisions of the Tender Award Committee	Ongoing process
Compilation of a guide to assist tenderers in the completion of tender documents	Guide completed and utilised by prospective tenderers	There has been a marked improvement in the completion of tender documents especially from HDI's and SMME's
CPS to procure supplies and services for ten hospitals	6 800 requisitions were processed to the value of R 10, 5 million	An additional hospital has been added to this project
PRIVATE HOSPITALS		
To inspect all private hospitals, unattached operating theatres and sub-acute facilities	Total of 38 inspections were undertaken and completed	Ongoing
Assessment of applications in preparation for licensing of private health facilities	A total of 21 applications were assessed, of which 7 were approved, 6 not approved and 8 are still pending	This is an ongoing process and is not limited to any particular target
	A total of 15 applications for extensions to existing facilities were dealt with, of which 5 were approved, 5 not approved and 5 still pending	This is an ongoing process and is based on the number of applications received
SPECIAL INVESTIGATIONS UNIT AND SECURITY SERVICES		
Elimination of fraud and corruption	Successfully implemented Operation Cure whereby 169 officials and 41 private individuals were arrested	Cases ongoing with a number of convictions having already being secured
Provision of an effective and efficient security service	Installed tighter security control measures for the safety of staff and patients	Outsourcing of security based on need
FINANCE		
Finalisation of the 2003/04 institutional budgets to ensure alignment with Departmental and District Strategic Plans	Budget allocations prepared for approximately 748 institutions/responsibilities	Budget Statements for the Department have been published and the strategic plan tabled. Awaiting final approval at National level
Preparation of the new uniform objective structure for Health for introduction in the 2003/04 financial year	Created 8 new programmes on the FMS	Finalised
Implementation of the UPFS	Implemented at all institutions and training provided to all users	Currently being monitored
Capacitation of staff at all institutions with regard to financial management	Training was conducted at all hospitals	Ongoing



PROGRAMME 2: District Health Services

This Programme consists of the following sub-Programmes:

- District Management
- Community Health Services (Programmes)
- District Hospitals
- HIV/AIDS and PMTCT
- Emergency Medical Rescue Services

Aim

To provide comprehensive Primary Health Care (PHC) Services that are appropriate and accessible to all sectors of the population of KwaZulu-Natal.

Policy and Developments

The District Health System (DHS), based on a policy decision, embarked upon a process to de-link all clinics from hospitals to district establishments to improve and provide accessible PHC services to the people. In addition all Community Health Centres now form part of the DHS in the Province. The 11 District Manager posts have gone through the process of evaluation and are in the process of being filled. In addition MCWH, EPI and Occupational Health and Safety Manager posts are also in the process of being filled.

All PHC clinics receive EDL medication directly from PMSC, thereby ensuring optimal access to medication for the most vulnerable sectors of the population. The process for the devolution of PHC services to Local Government level has been



MEC for Health, Dr Z.L. Mkhize distributing assistive devices to the elderly

initiated and the strategic plan to facilitate this process is being finalized. The DHS PHC Training Centre with a Task Team has been set up to coordinate all provincial PHC training and this will be followed by the formation of District PHC training centres in each district. A new portfolio, within the DHS, has been formed in order to coordinate all medical officer services and to ensure that access to basic medical officer services is provided at all clinics and CHC's on a regular and ongoing basis. In addition the Director for CHW and for Nutrition were appointed to their portfolios as part of the drive towards rendering comprehensive and integrated PHC Services.

Output and Service Delivery Trends

The Executive Authority approved the staffing establishments of the 3 new districts, namely iLembe (DC 29), Umzinyathi (DC 24) and Sisonke (DC 43). In addition the demarcation of the previously known Umkhanyakhude/Uthungulu

Report of the Head of Department

D I S T R I C T H E A L T H S E R V I C E S

Region into 2 separate Districts with their own establishments, was approved. Several new clinics were opened to increase access to basic and comprehensive PHC services in the Province. A new Provincial District Health System Committee structure, which includes Local Government representation, was established.

The DHS Municipal Support System has done sterling work to monitor the outputs from the subsidized municipal clinics. The DHS portfolio actively participated in several National structures including the National DHS Committee, PHRC DHS Task Team and the Equity/DOH Strategic Management Team Structure. In addition the province facilitated the work on the Metro Tender which focused on capacity building for the Metro and which was funded by the EU.



International Day of the Disabled

The DHS portfolio is liaising closely with the District Management structures given the importance of the implementation of PHC at this level. A process of restructuring the Districts was embarked upon in order to ensure an appropriate organogram for the delivery of primary health care to the people of the Province.

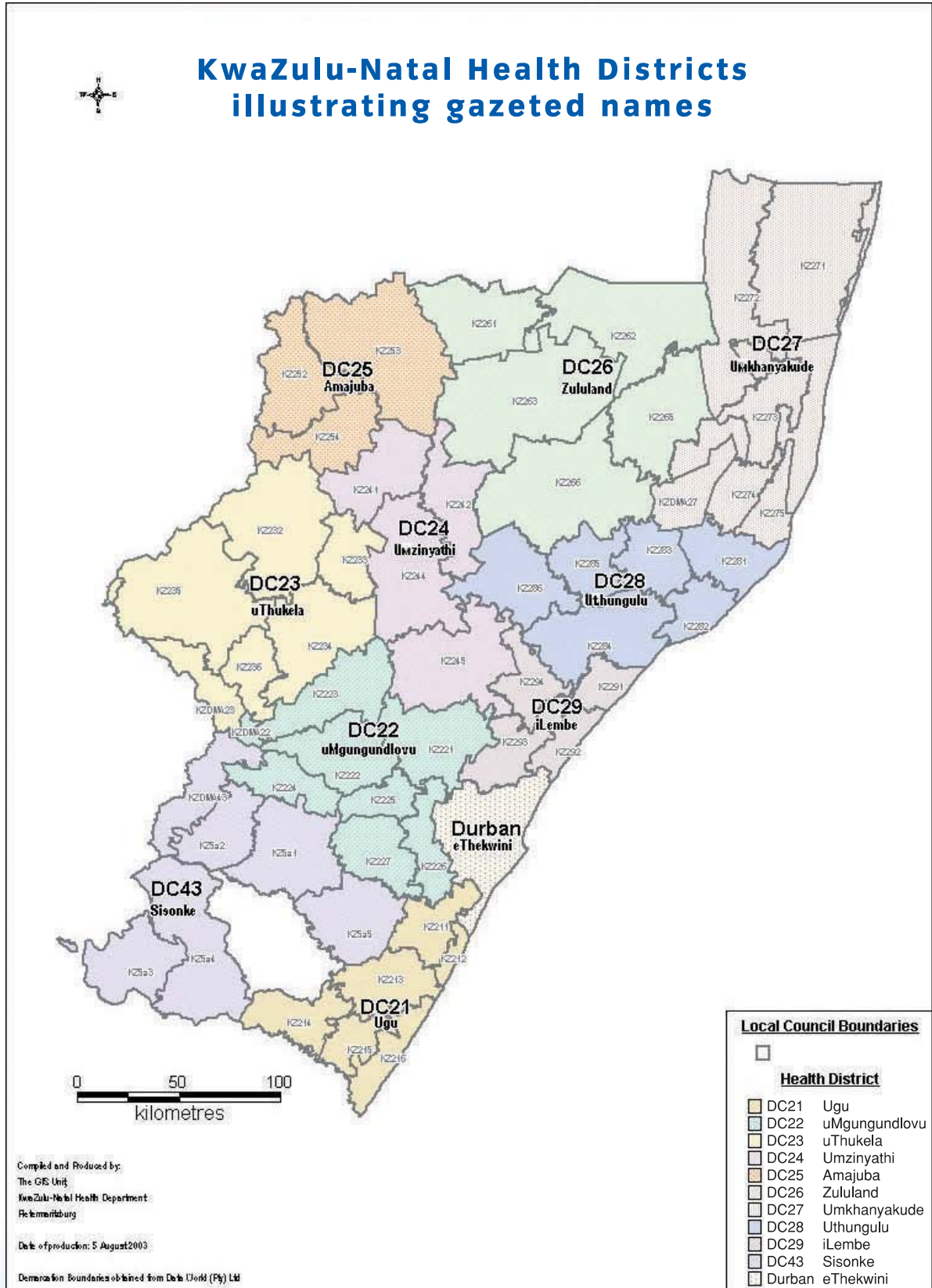
The Department has embarked on a comprehensive HIV/AIDS strategy, which includes PMTCT, VCT and the appointment of PMTCT Deputy Managers in all the Districts. In addition the sites for PMTCT and VCT have been expanded and linked to budget affordability with the view of providing such sites at all hospitals and CHC's in the future.



Launch of Breastfeeding Week

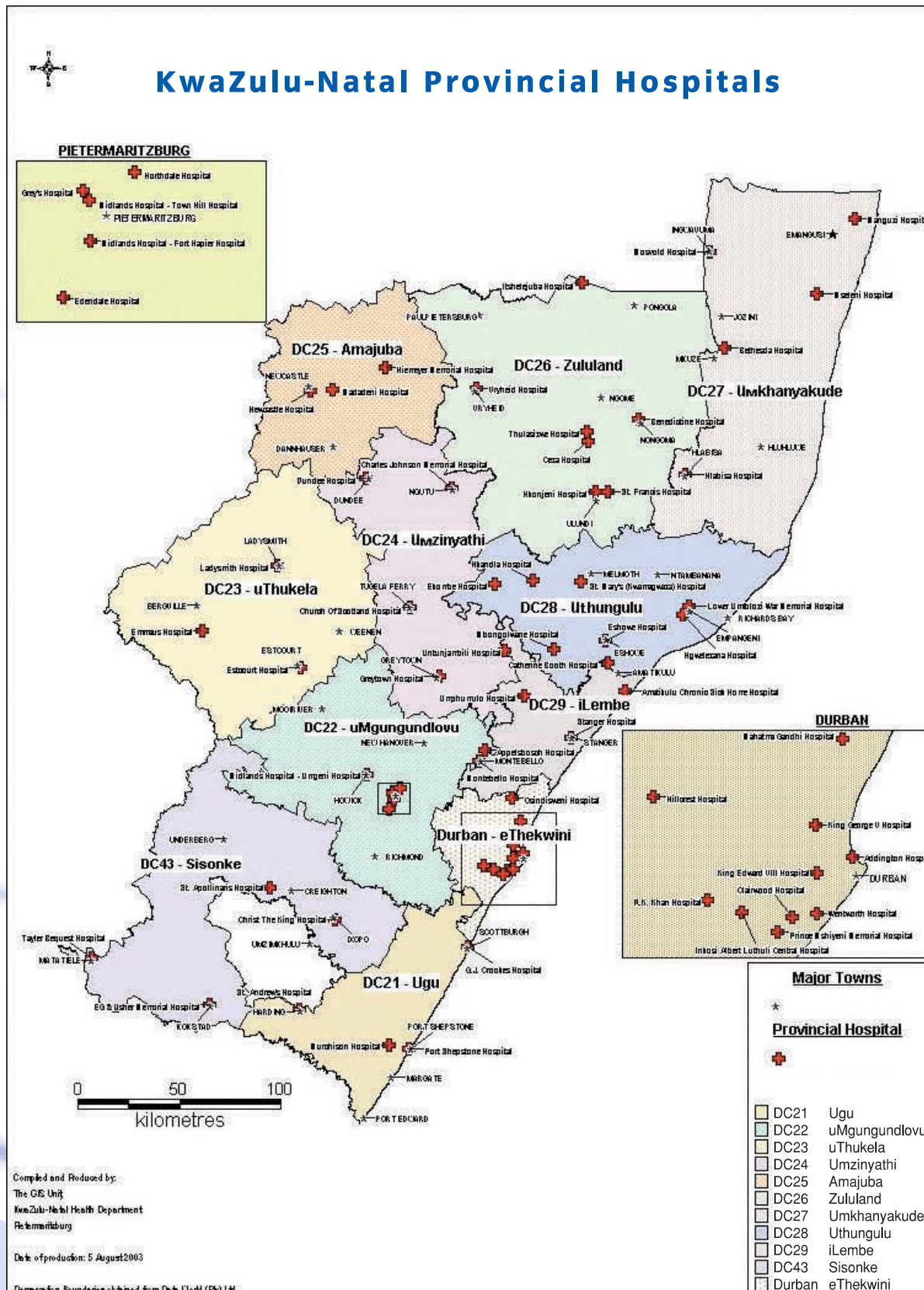
The EMRS system has been restructured and transformed to provide a quality, co-ordinated and equitable EMRS services in the Province facilitated by the filling of all the critical managerial posts in the Districts to render this critical life saving service.

There are 38 District Hospitals in the Province, which serve as very critical and essential referral centres for CHC's and Clinics to ensure that the more comprehensive and advanced health care services are accessible to all members of the community. In addition these hospitals play a critical role in providing effective and efficient secondary level services to promote the health and well being of the population based on a public health approach to health care.



Report of the Head of Department

DISTRICT HEALTH SERVICES



Output and Service Delivery Trends DISTRICT MANAGEMENT

Outputs	Service Delivery Indicators	Status and Comment
DC 21 UGU		
Establish a decentralised training and resource centre	Centre established and 300 staff were trained	Training ongoing
Improve the referral system in the district	A shuttle bus service was established and is operational	Service to be reviewed for improvement
To establish functional clinic committees for all clinics in the district	74% clinics now have functional clinic committees	Process ongoing to achieve 100%
Improve primary health care service delivery	A number of improvements were effected: <ul style="list-style-type: none"> • 80% of facilities offer cervical screening services • Purchased 15 vehicles • Upgraded 1 clinic to a 24-hour service • Achieved 96% EPI coverage • 67% of the facilities have PHC trained nurses • 94% of facilities have nurses trained on Drug Management • 100% facilities trained in TB control • 77% of facilities with IMCI trained nurses 	Mechanisms to improve services ongoing
Reduce the spread of TB in the district	A number of achievements were noted: <ul style="list-style-type: none"> • Average TB specimen turnaround time improved to less than 48 hours • Retreatment TB cases 13% • 26% TB smear conversion rate at 2 months • 35% TB smear conversion rate at 3 months • 38% of new smear positive TB cases cured at first attempt • 15% of TB cases on DOTS • 67% of sub-districts with an integrated HIV/TB programme 	Processes ongoing with focus on achieving better statistics during the forthcoming year
Reduce the incidence of scabies in the district by 50%	A 58% reduction rate achieved	Sustained reduction in the incidence of scabies by implementing the Scabies Prevention Plan
Implement the Primary School Nutrition Programme (PSNP) at targeted schools	100% of targeted schools participating in feeding scheme	Output achieved
DC 22 uMGUNGUNDLOVU		
Alleviate poverty in the district	R 1,2 million worth of contracts awarded to needy communities 124 803 children fed in terms of the PSNP. 700 Vulnerable orphan children identified and assisted with food parcels, grants and uniforms in collaboration with other Provincial Government Departments	Policies and procedures to be developed Project to be extended to include home vegetable gardens. Further roll-out of the programme being explored

Report of the Head of Department

D I S T R I C T H E A L T H S E R V I C E S

Outputs	Service Delivery Indicators	Status and Comment
Reduction of morbidity and mortality	The following was achieved: <ul style="list-style-type: none"> • 17 VCT sites were established • 340 Home-based carers and 39 Lay Counsellors were trained • 75% of clinics achieved 48 hour turnaround time • 62% smear conversion rate at 2 months • 100% clinics in the district have staff trained in TB control programmes • At least 1 trained IMCI nurse in each clinic • 70% clinics have specially designated IMCI areas 	Ongoing process with focus on improving morbidity and mortality rates
Improve access to services at clinics	98% drug availability at clinics. Achieved 2nd position in competition on District Development	EDL and chronic medication policy needs to be addressed
DC 23 uTHUKELA		
Improve primary health care service delivery	Achieved a number of objectives in collaboration with the different programmes: <ul style="list-style-type: none"> • 165 Schools participated in the PSNP • 60% of health facilities and 40% of community counsellors trained on HIV/AIDS prevention • All hospitals provide PMTCT including infant feeding counselling • 48 Hour sputum turnaround time • 75% of staff trained in IMCI • Annual peri-natal mortality rate less than 50 per 1 000 • 3 888 VIP toilets erected and 90 boreholes operational • 35% of clinics have diabetic and hypertension support groups • 80% clinic supervision of NTBCP 	Process to improve service delivery is ongoing
To promote effective and efficient skilled staff	8 Candidates elected to attend Unit Managers Course to ensure quality of care ABET for security staff was conducted	Development and training of staff ongoing
Ensure availability of drugs per the EDL at all clinics	100% availability of essential drugs and vaccines at all clinics 84% immunization coverage	Monthly monitoring and minimum order levels established
Ensure that all clinics are suitably equipped	All clinics are equipped with furniture and 85% of clinics have a full complement of medical equipment, while 15% have the basic medical equipment required.	Plans to fully equip all clinics are in process

Report of the Head of Department

Outputs	Service Delivery Indicators	Status and Comment
DC 24 UMZINYATHI		
Improve primary health care service delivery	<p>The following were achieved:</p> <ul style="list-style-type: none"> • TB interruption is at 9% • Number of professional nurses trained on HIV/AIDS counselling at clinics ranges from 14% to 60% • Anti-natal clinic visits per patient increased from 4 to 4.3 • All hospitals provide VCT and one site has been established outside of a hospital • A 24-hour sputum turnaround time • Staff trained in IMCI • 1 116 pensioners were screened for cataracts and 141 cataract operations were performed. This is an increase of 85% • Immunisation coverage improved from 70% to 87% • All hospitals have crises centres • TB cure rate is 36% for the district 	Process to improve service delivery is ongoing
DC 25 AMAJUBA		
Improve primary health care service delivery	<p>Achievements include the following:</p> <ul style="list-style-type: none"> • TB interruption reduced from 16% to 9% • Number of professional nurses trained on HIV/AIDS counselling at clinics ranges from 20% to 100% • Anti-natal clinic visits per patient increased from 4 to 4.4 • All hospitals provide VCT and one site has been established outside of a hospital • A 24-hour sputum turnaround time • 60 % of professional nurses trained in IMCI • 1 369 pensioners were screened for cataracts and operations increased from 250 to 322 • Immunisation coverage improved from 64% to 84% • All hospitals have crises centres • TB cure rate is 44% for the district 	Process to improve service delivery is ongoing
DC 26 ZULULAND		
Develop capacity for good management of IMCI	46% clinic nurses have been trained on IMCI 39% of nurses were trained on clinical nursing science, assessment treatment and care	Process ongoing
Improve accessibility of health care services at health facilities	91% of clinics have telephones 39% have two-way radios 98% of clinics have been electrified	Accessibility process ongoing
Encourage communities to participate in primary health care	88% of clinics have committees on which community members serve	This is in line with departmental policy and ensures transparency and openness

Report of the Head of Department

Outputs	Service Delivery Indicators	Status and Comment
Ensure availability of drugs per the EDL at all clinics	100% availability of essential drugs and vaccines at all clinics	Monthly monitoring and minimum order levels established
DC 27 UMKHANYAKUDE		
Improve TB management and cure rate	TB cure rate is 85% for the district and 419 CHW's were trained on TB management and 54 were trained on DOTS. TB management decentralised to 71% of clinics	Process ongoing
Implement PMTCT programme	Programme rolled-out to satellite clinics and 25 professional nurses and 27 councillors have been trained	Ongoing
Ensure decentralisation of Malaria diagnosis and treatment	Malaria management have been decentralised to 100% of clinics	Achieved
Improve primary health care service delivery	61% of nurses have been trained on PHC skills	Training for the balance of the 39% are presently being carried out
DC 28 UTHUNGULU		
Improve primary health care service delivery	Achievements include the following: <ul style="list-style-type: none"> • Building of a new community health centre at Nseleni • Provided food supplementation to 459 primary schools • Improved skills in PHAST. 15 staff have been trained • 60% PHC managers trained on the National TB Control Programme and 16 private doctors trained • Garden projects extended to 11 clinics • Educated the community through slide shows, posters, videos and pamphlets on scabies, cholera and substance abuse • Trained community members on STI's and HIV/AIDS and commenced with awareness campaigns and youth support programmes 	Process to improve service delivery is ongoing
DC 29 iLEMBE		
Improve primary health care services	236 CHW's trained on home-based care	Process ongoing
To alleviate poverty in the district	Meals provided to orphans and PWA's Establishment of 16 vegetable gardens, 3 poultry farms and 13 sewing and bead-making clubs	Poverty alleviation initiatives to be strengthened and further developed
Encouraging community participation in primary health care	5% of Local Authority clinics have committees on which community members serve	To increase community participation and set up more committees at remaining clinics
Addressing the impact of HIV/AIDS in the District	Established 16 PMTCT sites, 12 VCT sites and appointed 28 Lay Counsellors and 2 VCT counsellors 3,3 million condoms were distributed	Ongoing
To delink primary health care services from institutions	Untunjambili clinics - 100% completed Mobile teams - 70% completed Ndwedwe clinic - 85% completed	Plans in place for further delinking

Report of the Head of Department

Outputs	Service Delivery Indicators	Status and Comment
Roll-out of TB Control Programme	All health facilities compliant with National TB Control Programme Case findings – 3 713 Smear conversion rate 65% Treatment interruption rate 27%	Programme to be sustained and improved upon
DC 43 SISONKE		
Combat the spread of PTB	Smear conversion rate at 2 months 36% Smear conversion rate at 3 months 25% 21% New smear positive PTB cases cured at first attempt 90% of PTB cases on DOTS Sputum turnaround time 48%	Programme ongoing
Implement the PSNP to targeted schools	100% achieved – feeding schemes fully implemented	Target achieved with focus on remaining schools
Encourage community participation in primary health care	45 clinics have committees on which community members serve	To increase community participation and set up more committees at remaining clinics
Develop capacity for improved PHC services	Facilities with nurses trained on: <ul style="list-style-type: none"> • TB control – 80% • Drug Management – 50% • IMCI – 35% • Ante-natal care – 30% 55% facilities offering cervical screening services	Further training and development required to meet skills gaps
Addressing the impact of HIV/AIDS in the District	The following services were made available: 45% of health facilities offering VCT 100% of health facilities where condoms are available 2 female condom sites were established 100% of facilities offering STI management 41 staff trained on syndromic management of STI's 100% clinics have HBC teams	Ongoing
eTHEKWINI		
Combat the spread of PTB	100% DOTS coverage All clinics have staff trained on TB control Sputum turnaround time 48% TB diagnosis decentralised to clinics	Programme ongoing
Encouraging community participation in primary health care	11 health facilities recruited 71 volunteers. A total of 1 000 volunteers trained on HBC	To increase community participation and set up committees at clinics
Training and development	Staff underwent training on: <ul style="list-style-type: none"> • Computer training inclusive of software packages • Team building • Occupational health and safety 	Further training and development required to meet skills gap
Addressing the impact of HIV/AIDS in the District	The following services were made available: <ul style="list-style-type: none"> • 22 health facilities offering VCT • 29 PMTCT sites established • 44 PMTCT counsellors trained • 41 VCT counsellors trained • 81 Lay Counsellors trained 	Ongoing

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Outputs	Service Delivery Indicators	Status and Comment
To enhance Home-Based Care	469 beneficiaries received home-based care <ul style="list-style-type: none"> • 30 HBC trainers (FBO's) and 20 HBC trainers (CBO's) trained • A total of 1 000 volunteers trained on HBC 	HBC programmes ongoing
To promote a healthy and safe environment	The following activities were undertaken: <ul style="list-style-type: none"> • 15 clean up campaigns • 55 schools were visited • 2 events to observe "World No Tobacco Day" • 5 events to promote environmental health • 99% of cholera and rabies cases traced and investigated • Monthly planting and harvesting of moore pads in rivers and streams for cholera detection 	Ongoing process

COMMUNITY HEALTH SERVICES

Outputs	Service Delivery Indicators	Status and Comment
COMMUNICABLE DISEASE CONTROL		
Improve the management of programme and support to the districts	Developed Provincial CDC structure. Created and filled key posts for CDC administrative support and Provincial TB Co-ordinator	Process underway for the filling of post of Provincial CDC Technical Advisor
Improve management of programme at district level and strengthen support to district facilities	District CDC structure developed. Appointment of District CDC co-ordinators and CDC administrative/ data capturers finalized in all districts	Output successfully achieved
Improve the system of data collection in all districts	Developed and implemented electronic notifiable medical conditions data base in all districts	Data base currently in use
Improve awareness and support of TB control programme leading to improved case detection and treatment completion	Drafted TB Advocacy and Social Mobilisation Plan 2003-2005	Implementation will begin upon approval of the Plan
Implementation of TB Medium Term Development Plan 2002 – 2005	Plan distributed and implemented in all districts	Process ongoing
Improve the reporting and recording of TB	Implemented the district based Electronic TB Register in the 10 + 1 districts	Successfully implemented with improved recording of TB cases
Improve access to TB diagnosis and treatment for patients	Decentralised TB control from hospitals to PHC clinics. 290 (55%) of 522 clinics now diagnosing and treating TB	Process ongoing
Improve TB diagnostic services	11 new microscopy sites developed, with total of 72 sites in the Province. Improved capacity to handle microscopy services workload	All districts now meet the WHO recommendation of 1 microscopy site per 150 000 of the population
Improve access to peripheral/rural clinics to microscopy diagnostic services	328 (62%) of 522 clinics achieved target of 3x weekly sputum collection	Process ongoing

Report of the Head of Department

Outputs	Service Delivery Indicators	Status and Comment
Improve case management of TB patients	Developed training programme in TB control guidelines and trained 1 628 health care workers	Training ongoing
Improve capacity to monitor and support treatment of TB patients	Developed TB DOTS programme. 139 CHF's trained in DOTS. 1 120 CHW's trained in DOTS and 1 608 community volunteers trained in DOTS	DOT programme ongoing
Improve awareness and management of rabies	Established Rabies Action Groups in all 10 + 1 districts	Successfully achieved
CHRONIC DISEASES AND GERIATRICS		
Ensure proper access to treatment of chronic diseases	17 clinics visited in 10 districts. Implemented faster system for the collection of medication	Process ongoing with more planned visits in the current year
Ensure the availability of material resources in all districts for the prevention and management of chronic diseases	All of the 10 + 1 districts were funded	100% achieved
Improve awareness with regard to chronic diseases	Organised awareness campaigns on: <ul style="list-style-type: none"> • Tobacco Consumption • Day of Older Persons • World Sight Day • Heart Week • Youth Day • Volunteerism 	83% achieved
Facilitate capacity development in the management of asthma and joint conditions	Held workshops in all districts	100% success achieved
Establish support groups for self care in Hypertension and Diabetes management	Established at least 2 support groups per district	91% success achieved
Provide assistive devices to disabled older persons in Pietermaritzburg and Southern Durban sub-districts	Assistive devices provided to disabled person in Geriatric Clubs and 3 Old Age Homes	100% achieved
Build older persons capacity on VCT, PMTCT and home-based care	Capacity building successfully completed in 1 sub-district	Process ongoing
Facilitate the administration of the flu vaccine to older persons	50% of institutions administering the vaccine	Monitoring and motivation continuing for improvement in this area
Facilitate the increase in cataract surgery rate	Achieved 762 per 1 000 000 per year against a target of 1 000 per million	Process ongoing
HEALTH PROMOTION		
Implementation of Health Promoting Schools Programme	The following achievements were noted during the year: <ul style="list-style-type: none"> • 55 School Health Nurses received in-service training • 10 + 1 Districts held HPS workshops • 132 Schools working within the HPS concept • 12 School HP committees established • 5 District HPS committees established 	More activities planned and Provincial Task Team established to assess HP Schools to be launched in 2003
Ensure the availability of health promotion materials and information in all districts	Developed supportive Information, Education and Communication materials in collaboration with all role-players	Process ongoing

Report of the Head of Department

Outputs	Service Delivery Indicators	Status and Comment
Provide health information and education to the public	Produced and distributed the following: <ul style="list-style-type: none"> • IMCI booklets • HPS pamphlet • Video, posters and pamphlets on scabies • TB posters Health messages produced in print media to coincide with health calendar and health awareness events held in communities and schools; and Health talk shows presented weekly on Radio Ukhozi, with ad hoc talk shows presented on community radio stations, covering topics such as water and sanitation hygiene, Cholera, Hypertension and TB	Successfully achieved with more events planned for this year
To provide information and education on health and sanitation	Developed Health and Hygiene Strategy on Sanitation. Conducted health sessions per household in all communities where toilets were being constructed	Water and Sanitation Hygiene campaigns launched in collaboration with the Department of Water Affairs and Forestry with campaigns being implemented within the districts
MATERNAL, CHILD AND WOMEN'S HEALTH		
To reduce Child health mortality/morbidity through: <ul style="list-style-type: none"> • Improving immunization coverage and service • Effective EPI disease surveillance • Integrated Management of Childhood Illnesses by improving skills as well as the care of children in homes and communities 	Immunisation coverage improved: <p>89% immunization coverage achieved, with the dropout rate below 10%. 49 AFP cases reported with 70% stool detection</p> <p>158 Measles cases investigated with NIL positive and no Neonatal Tetanus cases reported</p> <p>All districts implemented IMCI: <ul style="list-style-type: none"> • 60% IMCI trained saturation of PHC professional nurses • at least 1 IMCI trained nurse in 244 clinics (46%) • 28% of professional nurses in clinics trained </p> <p>Established IMCI Community Component in 5 districts</p>	Need to improve data collection; Drop out rates: DTP – Hib 1 and DTP – Hib 2 was 7%
<ul style="list-style-type: none"> • Genetics: screening, counselling, management and referral; and Birth Defect Surveillance 	22 Nurses completed phase 1 of training course; 14 out of 22 active Birth Surveillance sites established	Process ongoing
Reduce infant mortality/morbidity through: <ul style="list-style-type: none"> • Ukugona (Kangaroo Mother Care) to improve low birth weight infants • Perinatal Problem Identification Programme (PPIP) assessment to identify problems for intervention 	Hospitals showed evidence of having implemented Ukugona: 46 Hospitals are implementing Ukugona to a certain extent	Training to be increased and follow up rate to be increased after training
	5 sites were established and are active	Highest birth defect reported: neural tube
		Need to strengthen Ukugona Need to monitor implementation Perinatal reviews

Report of the Head of Department

Outputs	Service Delivery Indicators	Status and Comment
<p>Reduce maternal mortality/morbidity through:</p> <ul style="list-style-type: none"> • Maternal death reporting and investigation • Improved management of pregnant women and women in labour • Implementation of Perinatal Education Programme • Improved ANC/PNC care 	<p>9 Maternal Death Assessors were trained; increased the number of Advanced midwives in the service; increased number of midwives completing PEP (194); ANC attendance increased to 4 visits per woman</p>	<p>Training ongoing with a view to improving services</p>
<p>Reduce mortality/morbidity among women and adolescents with regard to:</p> <ul style="list-style-type: none"> • Termination of Pregnancy • Cervical Cancer screening • Contraceptive services • Adolescent services 	<p>12 on-line Public Health Services and 4 Private Services. A total of 8 298 TOP's completed (54% in public health facilities)</p> <p>A total of 421 personnel trained in counseling, 839 in value clarification and 26 in MVA</p> <p>Policy made available and distributed; 74 District trainers were trained in screening; 43 615 PAP smears were done thereby achieving a 32% increase from the previous year; 70% Adequacy of smears received at the laboratories</p> <p>Training package revised and available; Increased attendances and increased number of trained personnel to provide the service</p> <p>In line with the National Adolescent Friendly Clinic Initiative (NAFCI), Adolescent and Youth Health policy disseminated. 6 Clinics were NAFCI accredited; 15 workshops were held to roll out NAFCI; 254 Staff trained in aspects of adolescent health care: sexuality and life skills, 298 on value clarification and 75 Peer Educators were trained</p>	<p>Data collection concerning incomplete abortions to be strengthened</p> <p>Ongoing</p> <p>Services ongoing with further training to be cascaded</p> <p>Data incomplete to assess increased coverage</p> <p>Training ongoing and more NAFCI sites to be introduced</p>
MENTAL HEALTH AND SUBSTANCE ABUSE		
<p>Build capacity for the management of mental health and substance abuse</p>	<p>Trained at least 2 nurses per district in the management of substance abuse</p>	<p>Improved service delivery</p>
<p>Extend mental services to victims of violence</p>	<p>Services have been made available at the crisis centres</p>	<p>Process ongoing</p>
<p>To promote community participation in the care of deinstitutionalised patients</p>	<p>Long-term patients were discharged from Madadeni Hospital and were skilled to do gardening, sewing and carpentry</p>	<p>2 clients have been employed and are presently assisting with the skilling</p>
<p>To integrate mental health and substance abuse services into secondary services</p>	<p>Detoxification facilities are available at hospitals</p>	<p>Detoxification services have improved and the process is ongoing</p>

Report of the Head of Department

Outputs	Service Delivery Indicators	Status and Comment
NUTRITION		
Promotion of self reliance in terms of food security projects	440 households participated in 22 projects in terms of which 19 projects were successfully finalized	3 Remaining projects are awaiting finalisation
Promotion of the production and consumption of micro-nutrient rich vegetables in health facilities	23 Vegetable gardens were established at clinics and 23 Groundsmen were trained as gardeners	More clinic gardens to be set up in all districts
Ensure access to IEC material on nutrition in all districts	IEC material on the INP were distributed in all districts	Ongoing distribution in all districts on a regular basis
To alleviate short-term hunger amongst primary school learners	Within the allocated resources 2 709 out of 3 885 schools participated in the programme which reached 1 222 225 learners	Process ongoing. Remaining schools will be included in the programme based on the availability of resources
To administer Vitamin A supplementation to all post-partum mothers and children up to the age of 6 years	300 000 units of the 200 000 IU and 270 000 units of the 100 000 IU doses were administered. Training in Vitamin A supplementation was completed in all districts	Currently faced with the challenge of finalizing a tender for the procurement of further supplies
To ensure that quality food is provided in a cost effective manner at all hospitals	10 Food Service Managers provide this service	Policy decision on outsourcing awaited.
Ensure the standardization and correct use of the RTH card	RTH cards distributed to all districts and facilities	Training to be conducted to address the unsatisfactory growth monitoring at facility level
Reduce the under 6 morbidity and mortality rate due to malnutrition	Approximately 203 836 people issued with nutritional supplements. Ten guidelines and draft diet sheets for Nutrition Education were developed	Monitoring of the supplementation programme is a challenge. The increase in the number of TB and HIV positive patients has exacerbated the problem
To increase the number of Baby Friendly Health facilities	7 facilities were assessed, of which 6 achieved BFH status, which brought the total in KZN to 18. The World Breastfeeding Week was successfully launched by the MEC for Health on 01/08/2002 at Prince Mshiyeni Memorial Hospital	Process ongoing
To ensure appropriate nutritional care of clients in institutions	26 Dietitians and 22 community service dietitians provide the service	Community service dietitians post to be reviewed
ORAL HEALTH		
Improve service delivery in all sub-districts	87% of all sub-districts have access to oral health services	100% achievement is dependent upon the provision of facilities
Enhance infrastructure of oral health services	10 clinics were refurbished and provided with the relevant equipment	Ongoing but dependent upon MERP funding
Increase the number of Oral Hygienists in districts	An Oral Hygienist was appointed in the Ilembe District	Services still lacking. There is a need to strengthen this area of oral health services
Create awareness of morbidity from oral health manifestations of HIV/AIDS	Posters were distributed to all health facilities	Process ongoing with further awareness projects in the planning phase
REHABILITATION		
Improve services with regard to disability prevention rehabilitation	More than 90% of all hospitals provide or offer one or more rehabilitation service	Capacity to be developed for further improvement and is an ongoing process
Address the needs of persons with disabilities	The following assistive devices were made available to persons in need:	Identified a need for R 6,6 million for additional assistive devices

Report of the Head of Department

Outputs	Service Delivery Indicators	Status and Comment
Create disability awareness	<ul style="list-style-type: none"> • 20 Wheelchairs • 5 Buggies • 10 Hearing aids • 60 Orthotic and prosthetic aids Hosted a series of events including an International Day for the Disabled at Ulundi	Ongoing process
Extend rehabilitation services to school going children	Provided resource materials and established joint Provincial Service Providers Committee	Process ongoing
ENVIRONMENTAL HEALTH		
Increase capacity of Environmental Health Practitioners in facilitation skills for community mobilisation	23 EHP's trained on PHAST methodology	Output achieved
Improve hygiene practices at church gathering sites	Piped water supply provided at Ebuhleni HQ. Water tanker purchased and installed	Provision of permanent water sanitation facilities in process
Improve malaria case management and reduce malaria case fatality rate from 0,5 to 0,4	Malaria case fatality case reduced from 0,5 to 0,29	Output successfully achieved with ongoing monitoring and management of the disease
Improve health care risk and waste management and disposal at all Provincial hospitals	75 health care workers appropriately trained and participation of 34 additional hospital in the waste management contract	Process ongoing
Improve vessel sanitation services	20% of visiting foreign vessels were subjected to the new procedure	Target exceeded by 15% and process ongoing
Ensure improved microbiological and chemical quality of foodstuff in the Province	6 Runs were carried out in terms of which 660 samples were taken and 117 were non-compliant, that is 17% non-compliance	Ongoing

DISTRICT HOSPITALS

Outputs	Service Delivery Indicators	Status and Comment
DISTRICT HOSPITAL SERVICES		
To improve the quality of care through the COHSASA accreditation programme	26 of the 37 hospitals have received various grades of accreditation: <ul style="list-style-type: none"> • 1 maintained its full accreditation status • 9 did not achieve sufficient progress • 7 achieved entry grade level • 10 received intermediate grading 	The 15 remaining hospitals are on an internal upliftment programme. Process ongoing with more hospitals entering the programme each year
Improve quality of care through popularisation of the Patients' Rights Charter	50% of hospitals responded to survey	Due to the low compliance in displaying the Patients' Rights Charter, the Charter will be launched to focus on patients' rights

Report of the Head of Department

Outputs	Service Delivery Indicators	Status and Comment
Improve quality of care through determining client satisfaction	75% hospitals responded to survey. Results of survey revealed: <ul style="list-style-type: none"> • There was general satisfaction about the basic hygiene, safety and security, staff attitudes and access to services • There was dissatisfaction with the long waiting times in OPD and pharmacy, the quality of food and the availability of linen • Clients also displayed inadequate knowledge of patients rights and complaint mechanisms 	25% non-responders were followed up and analysis in progress. The system for addressing of complaints will be strengthened
Improve quality of care through the complaints procedure	28 complaints received and addressed. All complaints dealt with through the following mechanisms: in-service training on Batho Pele Principles, Professional and Ethical training and recruitment drives in in-adequately staffed hospitals	Process to continue in the current year with focus on strengthening the complaints mechanism
Improve quality of care by adherence to Batho Pele Principles	36 hospitals were surveyed (Refer to results on page 41)	Progress continuing with 6-monthly monitoring to be conducted
To ensure that all institutions develop and implement strategic plans	19 hospitals complied by submitting their strategic plans	Lack of capacity at remaining institutions will be addressed in order for them to comply
To finalise the implementation of the new institutional senior management structure	Key posts of Hospital Manager, Medical Manager and Nursing Manager filled in 37 hospitals	Recruitment of remaining posts presently underway
Improve management capacity and develop competencies of senior institutional management teams	2 Induction and Orientation Programmes were held for newly appointed Hospital Managers; 25 officials attended courses on chairing of meetings and writing of minutes	Further training and development is currently being conducted and logistical arrangements were made to decentralise management training of institutional management teams
To ensure that functional management structures and systems are in place at all central and tertiary hospitals	Keys structures and systems were established: <ul style="list-style-type: none"> • IMLC • Extended management • Cash flow committee • Facility information officers • Hospital boards 	100% of district hospitals have extended management teams, IMLC's and Acting Facility Information Officers
Finalise and adopt the package of service at district level of care	The final document was circulated to all district hospitals to use as a framework for service delivery	Service delivery is ongoing in accordance with the accepted package of service for district hospitals
Improve the quality of hospital administration through inspections	19% inspections completed: <ul style="list-style-type: none"> • FMS 6% • Stores 7% • Patient administration 2% 	Low inspection rate due to inspectors performing relief work at institutions
Improve basic literacy within the hospitals	A large number of staff enrolled for literacy courses: <ul style="list-style-type: none"> • 80 enrolled for numeracy level 1 • 69 enrolled for numeracy level 2; • 384 enrolled for English Comm. level 1 • 219 for English Comm. level 2 • 70 enrolled for English Comm. level 3 • 2 enrolled for English Comm. Level 4 • 250 wrote exams and 233 passed 	Further literacy courses ongoing
Improve management capacity and develop competencies of senior institutional management teams	95 officials attended courses on chairing of meetings and writing of minutes and 22 officials attended a course on supervision	Further training and development courses to be conducted

DISTRICT HOSPITALS (36)

Compliance in relation to the Batho Pele Principles

DISTRICT HOSPITALS	NUMBER OF HOSPITALS		
	BATHO PELE PRINCIPLES	Compliant 80 - 100%	Partially Compliant 50 - 79%
CONSULTATION	18	18	0
SERVICE STANDARDS	14	22	0
ACCESS	11	22	3
COURTESY	17	17	2
INFORMATION	7	20	9
OPENNESS & TRANSPARENCY	8	25	3
REDRESS	16	18	2
VALUE FOR MONEY	22	14	0
ENCOURAGING INNOVATION	8	20	8
CUSTOMER IMPACT	8	25	3



Drug Awareness Day

HIV/AIDS and PMTCT

Aim

To implement preventative, therapeutic and supportive programmes that will have a positive effect on changing peoples' lifestyles and perceptions on HIV/AIDS thus decreasing incidence and the impact of the disease in KwaZulu-Natal. This is done through co-ordination of HIV/AIDS activities directed at prevention of HIV infection and care for those infected and affected by HIV/AIDS. It also involves facilitating planning, implementation and evaluation of HIV/AIDS activities in the Province. Equally important is the provision of support to Non-Governmental Organizations/Community-Based Organizations and other Government departments in relation to HIV/AIDS and facilitating inter-sectoral collaboration and partnerships against HIV/AIDS.

Policy and Developments

The Provincial HIV/AIDS Action Unit (PAAU) spearheads a co-ordinated government and non-government response to HIV/AIDS through co-ordinating preventative and support strategies against HIV/AIDS. Preventative strategies of the Unit include Voluntary Counselling and Testing (VCT), Prevention and Management of Sexually Transmitted Infections (STI's), Prevention of Vertical Transmission of HIV/AIDS and Community mass mobilisation campaigns. Care and

Support strategies deal mainly with Home Based Care (HBC), convalescent care and prevention and proper management of opportunistic infections.

The year under review saw an increase in the number of Voluntary Confidential Counselling and Testing sites, with improved statistical information being available. A total of 389 lay counsellors were employed for this programme and more than 200 000 information booklets were distributed and are available in isiZulu and English.

In order to address Sexually Transmitted Infections and promote barrier methods, a total of 201 469 female condoms were distributed in the Province by the end of March 2003 in our 31 sites with urban bias in the uptake. A total of 19 413 208 male condoms were distributed in the Province. All the PHC nurses were exposed to syndromic management of sexually transmitted infections in the Province.

The first truck stop clinic was set up at Tugela Plaza with the aim of managing STI's amongst the truck drivers and the commercial sex workers. Additional clinics will be set up at Mooi River,



The HIV/AIDS candle lighting ceremony held at Natalia

Report of the Head of Department

Golela and Kokstad. The truck stop clinic programme is a partnership between the Provincial AIDS Action Unit (PAAU), Department of Transport, Road Freight Association and Learning Clinics.



School children at the World AIDS Day celebrations

To further enhance service delivery, training in Home Based Care was improved whereby a total of 12 745 caregivers were trained and supplied with care kits. Such training also included NGO's and CBO's. By the end of March 2003, the total number of Home Based Care beneficiaries was 89 193. Through this programme, the PAAU was successful in conducting a total of 63 428 household visits and identifying 25 765 orphans. This assisted in developing a referral tool for orphans and potential orphans between the departments of Health, Social Welfare and Education and Training. This has resulted in a

total of 49 Drop-in centers being established, 14 of which are managed together with the Department of Welfare as National Integrated Plan sites for children infected and affected by HIV/AIDS.

A further development was the strengthening of community mobilisation through training of communities and leaders, namely, the Amakhosi, Ward Councillors, religious leaders, traditional healers and members of the community.

In keeping with the aims of the PAAU and to strengthen inter-sectoral collaboration, the unit funded a total of 63 non-governmental and community-based organisations, thus increasing the outreach of HBC and awareness. Besides the funded organizations, the Unit interacted with 260 other organizations involved in HIV/AIDS work in the Province. A total amount of R11,5 million was disbursed to the KZNPPHC and the Valley Trust consortium for the Management and administration of community Health workers since the bulk of their work is on HIV/AIDS.

A partnership deal was clinched with Petronet and this has resulted in HIV/AIDS resource centers being developed in eight taxi ranks in the Province.

Glaxo-Smithkline pharmaceutical company built a cluster home for 17 orphans at Sinkonkonko, Nongoma. This project was officially opened on the 25th of March 2003 by the MEC for Health, Dr Zweli Mkhize.

PREVENTION OF MOTHER-TO-CHILD TRANSMISSION OF HIV/AIDS

Phases of Implementation: The programme is being implemented in three phases: the continued implementation at the pilot sites constitute phase 1, the expansion of the programme to at least 2

hospitals (1 rural and 1 urban) and their respective feeder clinics in each of the 11 districts constitute phase 2 and the expansion of the programme to all other clinics in the province of KwaZulu-Natal constitute phase 3 of the expanded PMTCT programme. The status of implementation of the programme is given in Table I.

Summary of Results

A total of 47 305 pregnant women received pre-test counseling for the period April 2002 – March 2003, of whom 38 604 (82%) volunteered to test for HIV. Of those tested, 13 760 (36%) were positive for HIV-1. Eighty eight percent (12 053) of these HIV positive women chose to know their results and received post-test counselling. Seventy four percent (18 318) women who tested negative for HIV-1 also chose to be informed of their results and received post-test counselling on maintaining their negative status. Of the women who tested positive and post-test counselled, 7 764 women were issued with a single dose NVP at the antenatal clinic if they were 28 weeks or more in their pregnancy. A total of 8 230 HIV positive women in the programme delivered during this financial year and their babies were given a single dose of NVP between 6 and 24 hours of birth. Fifty six percent (4591) of these babies were to be breastfed exclusively for 4 to 6 months, a decision taken by the mothers upon advice and counselling by trained lay counsellors. The remaining 3 639 mothers (44%) had chosen to provide their babies with replacement feeds. The latter is in the form of powdered milk (Pelargon), a total of 48 tins per child issued by the provincial clinic over a 6 month period. For those women who elect to breastfeed for the first 4 to 6 months, their babies will also be issued with 51 tins of Pelargon over a period of 6 months until 10 or 12 months of age. Monthly statistics for all of the above are described in detail in Table 2.

Maternal and Child Follow-up

The pilot sites started offering PMTCT services in June 2001 and 1896 babies should have celebrated their first year birthday between June 2002 and March 2003. All babies born to HIV positive women in the programme should be seen at the clinics (preferably the pilot clinics for monitoring) at least fortnightly in the first month and monthly thereafter until 12 months of age. After that they should be monitored every 3 months until they are 2 years of age.

To-date, 460 (24%) of the 1896 children have been seen and tested at 12 months of age (43 positive and 417 negative). Clinic attendance is generally decreased after 9 months (immunization visit), increasing the loss to followup rate (76%) at these clinics. The poor rate of followup is recognised at all pilot sites. The programme is currently exploring strategies to improve this situation. It has begun a consultative process with community health worker organizations, other clinics in the area, local councils and both maternal and IMCI programme committees. Other activities include the development and implementation of an electronic coding system and data management of patient records throughout the province. This data management project is integrated with the district health information system which is governed by the KZN Department of Informatics. The province is also investigating the use of PCR testing for infant testing at four to six weeks in place of the rapid test at 12 months. The planning and implementation of testing is in collaboration with the Department of Virology, University of Natal. The main motivation for these sub-projects is to help improve the followup of mothers and infants in the programme.

Output and Service Delivery Trends

Outputs	Service Delivery Indicators	Status and Comment
PROVINCIAL HIV/AIDS ACTION UNIT AND PMTCT PROGRAMME		
To establish 124 VCT sites in the Province	118 VCT sites were established. 55 400 people were tested for HIV/AIDS at these sites	95% success rate achieved. Remaining sites to be completed within two months
To increase Femidoms (female condom) distribution sites from 19 to 31	31 sites were established; 201 469 Femidoms were distributed	100% success rate The uptake of Femidoms in urban areas is far greater than in rural areas
To ensure optimal distribution of Condoms in all Districts	19 413 208 Condoms were distributed in the Province	Distribution is ongoing and the aim is to increase the distribution in accordance with the demographics of the Province
To address Sexually Transmitted Infections (STI's) in high transmission areas	1 road side clinic was established at Tugela Truck Stop	100% success in establishment of the road side clinic Need to strengthen the buy-in and partnerships with all role-players in order to improve the service
To improve the management of Sexually Transmitted Infections (STI's) in the Public Sector	All clinical staff at public health facilities received training and protocols on syndromic management of STI's	514 health clinics (inclusive of Provincial and Local Government clinics) and all relevant Public Hospitals have been covered
To establish 17 drop-in centres for the Integrated Plan for children infected and affected by HIV/AIDS	14 Drop-in centres established in partnership with Department of Welfare. 25 765 orphans benefited from the service	82% success rate with the other to be established in the next two months. Major problem is the setting up of the infrastructure
To increase access to Home Based Care (HBC) services in the Province	12 745 caregivers were trained in the Province and they covered 63 428 households and 89 193 individuals had access to HBC services	Ongoing process
To ensure community mobilisation through the training of community leaders and influential people in the communities	182 Amakhosi were trained, 182 councillors were trained, 300 religious master trainers were trained and 8 475 traditional leaders were trained	Ongoing
To ensure community mobilisation by observing all HIV/AIDS calendar days	All calendar days observed. More than 20 000 people were reached through these events	Ongoing
To forge relationships with non-governmental and community based organisations	63 NGO's/CBO's were funded by the unit in this financial year to render HIV/AIDS services in the Province	Ongoing
To forge relationships with the Private sector	Petronet, Glaxosmithkline and Imperial truck logistics funded our projects, viz, taxi rank resource centres, Sinkonkonko children's cluster home and Tugela roadside clinic respectively	Negotiations ongoing with the other private sector companies
To ensure that all Departments have trained peer master trainers in their staff	Two staff members trained as master trainers in each Department	100% success rate
To assist Departments to establish counselling services	Two staff members trained as counsellors in each Department	First step achieved and now working towards starting a service

Report of the Head of Department

Outputs	Service Delivery Indicators	Status and Comment
To assist Departments to develop HIV/AIDS workplace policies	Generic policy developed for all Departments to adapt	50% of Departments have developed AIDS policies
To implement the PMTCT programme at all maternity hospitals and 2 feeder clinics per hospital	PMTCT programme implemented at 49 hospitals, 127 clinics and 4 community health centres	100 % of hospitals, 25% of clinics and 33% of the community health centres have implemented the programme
To train and appoint lay-counsellors for an efficient voluntary counselling and testing service at PMTCT sites	A total number of 375 lay-counsellors have been appointed	DC21 = 53 DC22 = 37 DC23 = 37 DC24 = 25 DC25 = 26 DC26 = 32 DC27 = 45 DC28 = 40 DC29 = 18 DC43 = 30 Ethekewini = 32 A shortage of trained lay-counsellors in certain districts has resulted in fewer counsellors appointed. These districts are in the process of establishing a pool of counsellors
To train lay counsellors on PMTCT and infant feeding	280 lay counsellors have been trained in PMTCT and infant feeding	The remaining 95 counsellors will be trained in June 2003. Training has been effected by an established pool of PMTCT course directors, master trainers and trainers in the Province
To monitor the uptake for HIV testing	Number pre-test counselled (47 305) Number tested for HIV (38 604)	All women attending antenatal clinics receive pre-test counselled. 82% have volunteered to test. By international standards the testing rate is good. A community mobilisation strategy is needed to improve the uptake for testing
To monitor the HIV seroprevalence rate at antenatal clinics	13 760 women have tested positive for HIV	HIV Seroprevalence of 36% DC21 44% DC22 41% DC23 42% DC24 20% DC25 37% DC26 40% DC27 30% DC28 43% DC29 37% DC43 31% Ethekewini 39%
To monitor the return rates for results and post-test counselling	18 318 HIV negative women and 12 053 HIV positive women have received post-test counselling	74% of the women who test negative and 88% of women who test positive have been post-test counselled on their results. By international standards, return rates are very good
To monitor the issue of NVP to women	7 764 HIV positive women have been issued NVP at the antenatal clinic	64% of HIV positive women post-test counselled have been issued with NVP in the antenatal clinic. Reasons for the remaining 36% not receiving NVP are that they have attended antenatal clinic earlier and will only be issued with NVP at 28 weeks or have only received the NVP in the labour ward. These reasons will be verified

Report of the Head of Department

Outputs	Service Delivery Indicators	Status and Comment
To monitor the issue of NVP to babies	8230 HIV positive women have delivered and their babies received NVP after birth	68% of babies born to women who were post-test counselled received NVP after birth. This is more than the number of women receiving NVP in the antenatal clinic
To monitor the infant feeding practices	4591 and 3639 women have opted to breastfeed and formula-feed their infants respectively	Breastfeeding and formula feeding rate is 56% and 44% respectively. Ongoing monitoring will identify whether women maintain their feeding option between birth and 6 months post-delivery
To monitor the follow-up of mothers and children in the programme	460 (24%) of the 1896 children have been seen and tested at 12 months of age (43 positive and 417 negative). Clinic attendance is generally decreased after 9 months (immunization visit), increasing the loss to follow-up rate (76%) at these clinics. The poor rate of follow-up is recognised at all pilot sites	The programme is currently exploring strategies to improve this situation. It has begun a consultative process with community health worker organizations, other clinics in the area, local councils and both maternal and IMCI programme committees. Other activities include the development and implementation of an electronic coding system and data management of patient records throughout the Province



World AIDS Day celebrations

Table 1

**EXPANSION OF THE PMTCT PROGRAMME IN KWAZULU-NATAL
PROGRESS REPORT (JUNE 2001 – APRIL 2003)**

Districts	Counsellors	Maternity Facilities			Phase 1 (06/01)			Phase 2 (05/02)			Phase 3 (04/03)			TOTAL		
		Hsp	Clin	CHC	Hsp	Clin	CHC	Hsp	Clin	CHC	Hsp	Clin	CHC	Hsp	Clin	CHC
eThekwini	34	5	85	5	2	2	1	3	1	1	-	9	1	5	12	3
uMgungundlovu	18	4	49	3	3	2	1	1	-	-	-	3	-	4	5	1
Umkhanyakude	25	5	51	-	1	-	-	4	2	-	-	12	-	5	14	-
Sisonke	15	4	25	2	-	-	-	4	1	-	-	3	-	4	4	-
Ugu	39	4	55	-	-	-	-	4	5	-	-	20	-	4	25	-
uThukela	21	3	47	-	-	-	-	3	-	-	-	14	-	3	14	-
Amajuba	23	3	19	-	-	-	-	3	2	-	-	11	-	3	13	-
Zululand	9	5	65	-	-	-	-	5	1	-	-	0	-	5	1	-
Umkhanyakude	45	5	57	-	-	-	-	5	8	-	-	17	-	5	25	-
Uthungulu	28	7	42	-	-	-	-	7	3	-	-	8	-	7	11	-
iLembe	18	4	19	1	-	-	-	4	3	-	-	0	-	4	3	-
TOTAL	275	49	514	12	6	4	2	43	26	1	-	97	1	49	127	4
														100%	25%	(33%)

Table 2

**THE PMTCT PROGRAMME IN KWAZULU-NATAL
PROGRESS REPORT (APRIL 2002 – MARCH 2003)**

	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	TOTAL
PRE-TEST COUNSELLED	2 006	2 965	2 753	3 025	3 578	3 723	4 497	3 733	4 053	5 881	5 773	5 318	47 305
TESTED	1 521	2 394	2 682	3 099	3 261	3 166	3 500	2 910	2 719	4 263	4 062	5 027	38 604 (82%)
HIV POSITIVE	597	974	999	1 159	1 160	1 155	1 273	1 034	922	1 501	1 527	1 459	13 760 (36%)
HIV NEGATIVE	924	1 420	1 683	1 940	2 101	2 011	2 227	1 876	1 797	2 762	2 535	3 568	24 844 (64%)
POST TEST COUNSELLED NEGATIVE	789	1 252	1 147	1 183	1 323	1 381	1 801	1 359	1 567	2 172	2 151	2 193	18 318 (74%)
POST TEST COUNSELLED POSITIVE	542	850	829	785	852	894	1 272	934	1 045	1 188	1 431	1 431	12 053 (88%)
NVP ISSUED AT ANTENATAL CLINIC	360	523	495	588	588	613	731	654	586	869	853	904	7 764 (64%)
BABIES GIVEN NVP	396	395	575	619	653	626	752	729	881	732	926	946	8 230 (68%)
WOMEN CHOOSING TO ONLY BREASTFEED	186	229	316	357	384	376	439	356	447	407	573	521	4 591 (56%)
WOMEN CHOOSING TO ONLY FORMULA FEED	210	166	259	262	269	250	313	373	434	325	353	425	3 639 (44%)

EMERGENCY MEDICAL RESCUE SERVICES (EMRS)

Aim

The aim of the KwaZulu-Natal Emergency Medical Rescue Services is "The provision of emergency and non-emergency medical rescue services throughout the Province." This is achieved through the following sub-programmes:

Emergency Patient Transport, which includes all emergency medical rescue patients, namely, accidents, maternity, medical, for all indigent patients with no means of transport with the utilization of specialized equipment and paramedics; and

Planned Patient Transport, which includes non-emergency referrals between hospitals and clinics, for indigent persons with no other means of transport.

Policy and Developments

Policy

During the period under review, the following policies were developed:

- Standard Operating Procedures for the provision of emergency medical rescue services in the Province
- Training policy for emergency care practitioners
- Integrated Human Resource Plan for EMRS
- Standard Operating Procedures for Aero Medical Service in KZN

- Fitness and Environment Health Policy for newly appointed ECP's
- Policy for volunteer service within EMRS
- Accident Investigation and Procedure Policy
- Quality Assurance Policy within EMRS

Of the abovementioned policies, the four first-mentioned have been implemented.

Developments

Having increased the vehicle fleet from 110 to 165 and the human capacity from 1 642 to 1 862, the operational capacity increased from 45% to 60%.

In line with the equitable distribution and the improvement of access to services, four additional communication centers were established in the following Districts:

Umkhanyakude
Sisonke
Umzinyathi
ILembe

Access to these and the existing communication centers is through the toll free number "10177"

To further enhance service delivery, 20 additional Life Care Support personnel have been trained, 256 newly created posts for ECP - Basic were advertised, of which a total 200 posts have been filled and 101 Intermediate Life Support personnel were trained with the focus on previously disadvantaged and underserved areas.

Furthermore, in order to ensure the safety of staff and patients, 42 candidates underwent specialized

Report of the Head of Department



The "new look"

Driver Training Techniques. This has had a positive impact in that the number of vehicles that were involved in accidents has reduced from 66.54% to 56.36%.

The strategy for the transformation and restructuring of the College of Emergency Care was finalized and adopted. The Transformation Task Team that was involved in the transformation and restructuring of the Directorate was disbanded and the responsibility of ongoing transformation was then vested in the fully-fledged EMRS management team. In line with this, District Managers have also been appointed, thereby enhancing service delivery at District level.

A total of 127 new vehicles (116 ambulances and 11 ALS response units) were purchased. Six of the 116 ambulances were mobile Intensive Care

Units. By the end of the reporting period these vehicles were awaiting finalisation of the vehicle conversion process.

Output and Service Delivery Trends

Outputs	Service Delivery Indicators	Status and Comment																																																
EMERGENCY MEDICAL RESCUE SERVICES																																																		
Improve access to services	<p>150 staff have received in-service training on Emergency Medical Dispatch procedures</p> <p>Improved Response times Urban – reduced from 1 hr to 16 - 30 minutes</p> <p>Rural – reduced from 2 – 3 hrs to 1 – 2 hrs</p> <p>Increase in the number of isiZulu speaking staff from 56% to 60% target is 80%</p> <p>Communication centres have been established in all Districts</p>	<p>Response times have improved</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Plans underway for computerization of these centres</p>																																																
Improve Quality of EMRS in the province	<p>Introduced the first 6 mobile intensive care units of the envisaged 22 for the Province</p> <p>Increased the number of ALS staff per District</p> <table border="1"> <thead> <tr> <th>District</th> <th>2001/2002</th> <th>2002/2003</th> <th>Target</th> </tr> </thead> <tbody> <tr> <td>Ugu</td> <td>8</td> <td>13</td> <td>8</td> </tr> <tr> <td>uMgungundlovu</td> <td>3</td> <td>10</td> <td>12</td> </tr> <tr> <td>uThukela</td> <td>1</td> <td>5</td> <td>8</td> </tr> <tr> <td>Umzinyathi</td> <td>0</td> <td>4</td> <td>8</td> </tr> <tr> <td>Amajuba</td> <td>0</td> <td>3</td> <td>8</td> </tr> <tr> <td>Zululand</td> <td>1</td> <td>5</td> <td>8</td> </tr> <tr> <td>Umkhanyakude</td> <td>0</td> <td>3</td> <td>8</td> </tr> <tr> <td>Uthungulu</td> <td>2</td> <td>7</td> <td>12</td> </tr> <tr> <td>Ilembe</td> <td>5</td> <td>11</td> <td>8</td> </tr> <tr> <td>Sisonke</td> <td>0</td> <td>4</td> <td>8</td> </tr> <tr> <td>eThekweni</td> <td>28</td> <td>34</td> <td>36</td> </tr> </tbody> </table> <p>Appointed Clinical Governance Manager to ensure quality of service within EMRS</p>	District	2001/2002	2002/2003	Target	Ugu	8	13	8	uMgungundlovu	3	10	12	uThukela	1	5	8	Umzinyathi	0	4	8	Amajuba	0	3	8	Zululand	1	5	8	Umkhanyakude	0	3	8	Uthungulu	2	7	12	Ilembe	5	11	8	Sisonke	0	4	8	eThekweni	28	34	36	<p>Deployed in order of priority with the intent of 2 per District</p> <p>Ongoing</p> <p>Clinical governance programme to be implemented after completion of clinical audit</p>
District	2001/2002	2002/2003	Target																																															
Ugu	8	13	8																																															
uMgungundlovu	3	10	12																																															
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eThekweni	28	34	36																																															
Decrease mortality and morbidity through proper management of trauma cases	<p>Additional 44 vehicles were deployed during peak holiday periods at identified hot spots on national roads.</p> <p>Improved access for trauma patients to emergency medical rescue services</p>	Ongoing																																																
Acquired appropriate Emergency support Vehicles	<p>A total of 127 new vehicles were purchased:</p> <p>116 ambulances of which 6 were mobile Intensive Care Units; and</p> <p>11 ALS response units</p>	All vehicles will be fully operational in 2003/04																																																



PROGRAMME 3:

Provincial Hospital Services

This programme consists of the following sub Programmes :

- Provincial Regional Hospitals
- Provincial Specialised Hospitals

Aim

The aim of this Programme is:

- To render regional hospital services at specialist level;
- To render hospital services for Tuberculosis including multi-drug resistance;
- To render hospital services for mental health; and
- To render hospital services for chronic (long-term) medical care.

Policy and Developments

The Quality Assurance and Accreditation Unit (QA&AU) has drafted a policy document "Quality of Health Care for all citizens in KZN" which has been submitted to the stakeholders for their inputs. This document focuses on integrating all initiatives for providing compassionate and high quality health care in the Province.

During the period under review, the appointment of the Senior Manager: Institutional Support Services, the Medical Manager: HIV/AIDS and Deputy Manager were finalized. These appointments were critical in ensuring the continued and effective functioning of the Chief Directorate. The progressive realization of the new institutional

management structure was achieved, thereby assisting in the realization of quality health service delivery. The development of institutional strategic plans was initiated during this time, which also gave rise to the finalisation of performance agreements for senior managers at institutions.

Despite the financial and staffing constraints, the majority of the hospitals on the accreditation programme achieved and maintained progress in the accreditation programme to improve the quality of care at their institutions. Four hospitals, which did very well in the COHSASA programme had also entered the Premier's Good Governance Awards and received recognition for excellence in service delivery. Addington Hospital received the highest level of recognition – the Gold Award, in 2002, Murchison Hospital received the Silver Award, while Wentworth and RK Khan hospitals both received Bronze Awards. Mosvold Hospital received the Best Practice Award. The Department of Health received 5 of the 13 awards in the Premier's Good Governance Programme.

The Inspectorate division provided a valuable contribution in maintaining continuity of services at institutions by ensuring that the administrative functions were not compromised by exercising relief functions at institutions where Finance and Procurement delegations had been revoked.

Output and Service Delivery Trends

Outputs	Service Delivery Indicators	Status and Comment
PROVINCIAL REGIONAL HOSPITALS		
To improve the quality of care through the COHSASA accreditation programme	7 of the 12 hospitals received various grades of accreditation: <ul style="list-style-type: none"> • 1 received entry grade level • 5 received intermediate grading • 1 re-entered for the accreditation programme 	Of the remaining 5, 2 are on an internal upliftment program with 3 awaiting results. Process ongoing with more hospitals entering the programme each year
Improve quality of care through popularisation of the Patients' Rights Charter	50% of hospitals responded to survey	Due to the low compliance in displaying the Patients' Rights Charter, the Charter will be launched to focus on patients' rights
Improve quality of care through determining client satisfaction	75% hospitals responded to survey. Results of survey revealed: <ul style="list-style-type: none"> • There was general satisfaction about the basic hygiene, safety and security, staff attitudes and access to services • There was dissatisfaction with the long waiting times in OPD and pharmacy, the quality of food and the availability of linen • Clients also displayed inadequate knowledge of patients' rights and complaint mechanisms 	25% non-responders were followed up and analysis in progress. The system for addressing of complaints will be strengthened
Improve quality of care through the complaints procedure	20 registered complaints were received and addressed. All complaints were dealt with through the following mechanisms: <ul style="list-style-type: none"> • In-service training on Batho Pele Principles, Professional and Ethical training • Recruitment drives in inadequately staffed hospitals 	Process to continue in the current year with focus on strengthening the complaints mechanism
Improve quality of care through adherence to Batho Pele Principles	11 hospitals were surveyed (Refer to results on table on page 58)	Process continuing with 6-monthly monitoring to be conducted
To ensure that all institutions develop and implement strategic plans	3 hospitals have complied by submitting strategic plans	Lack of capacity at remaining institutions will be addressed in order for them to comply
To finalise the implementation of the new institutional senior management structure	Key posts of Hospital Manager, Medical Manager and Nursing Manager in 8 of the 12 Regional Hospitals filled	Recruitment process underway in the 4 remaining hospitals
Improve management capacity and develop competencies of senior institutional management teams	2 Induction and Orientation programmes were held for newly appointed Hospital Managers; 85 officials attended courses on chairing of meetings and writing of minutes; and 115 officials attended a course on supervision	Further training and development is currently being conducted

Report of the Head of Department

Outputs	Service Delivery Indicators	Status and Comment
To ensure that functional management structures and systems are in place at all regional hospitals	Key structures and systems were established: <ul style="list-style-type: none"> • IMLC • Extended management • Cash flow committee • Facility information officers • Hospital Boards 	100% of regional hospitals have extended management teams, IMLC's and Acting Facility Information Officers
Finalise and adopt the package of services at regional level of care	The draft document was circulated to all regional institutions to use as a framework for service delivery	Implementation of package of services is ongoing
Improve the quality of hospital administration through inspections	21% inspections completed: <ul style="list-style-type: none"> • FMS 5% • Stores 8% • Transport 2% • Patient administration 6% 	Low inspection rate due to inspectors performing relief work at institutions
Improve basic literacy within the hospitals	A large number of staff enrolled for literacy courses: <ul style="list-style-type: none"> • 79 enrolled for numeracy level 1 • 39 enrolled for numeracy level 2; • 185 enrolled for English Comm. level 1 • 112 learners enrolled for English Comm. level 2 • 35 learners enrolled for English Comm. level 3 • 350 learners wrote exams and 325 passed 	Basic literacy has improved and further courses are being conducted
PROVINCIAL SPECIALISED HOSPITALS		
Improve the quality of care through the COHSASA accreditation programme	6 of the 7 hospitals are on the programme. 3 – have full accreditation status: Townhill Fort Napier Umgeni Hospitals	4 Hospitals are at various levels of the accreditation programme. Clairwood and Thulasizwe Hospitals are on an internal upliftment programme and King George V and Hillcrest hospitals are near accreditation
Improve quality of care through determining client satisfaction	Client satisfaction survey conducted in all hospitals. 75% hospitals responded to survey. There was general satisfaction about the basic hygiene, safety and security, staff attitudes and access to services	25% non-responders were followed up and analysis in progress. Quarterly surveys will be conducted by all institutions to determine client satisfaction
Improve quality of care through the complaints procedure	1 complaint received and addressed. Complaint dealt with through the following mechanisms: In-service training on Batho Pele Principles, Professional and Ethical training, Recruitment drives in in-adequately staffed hospitals	Complaints procedure will be strengthened
Improve quality of care through adherence to Batho Pele Principles	5 hospitals were surveyed (Refer to table on page 58)	Partial and non-compliant institutions have received regular visits from Quality Assurance co-ordinators to improve on and meet the standards set in the Batho Pele document. Monitoring will take place every six months

Report of the Head of Department

Outputs	Service Delivery Indicators	Status and Comment
To ensure that institutions develop and implement strategic plans	1 hospital complied	Lack of capacity at remaining institutions will be addressed in order for them to comply
To finalise the implementation of the new institutional senior management structure	Key posts of Hospital Manager, Medical Manager and Nursing Manager filled at 2 specialised hospitals	The recruitment process is underway for the vacant posts in the 5 remaining hospitals
Improve management capacity and develop competencies of senior institutional management teams	2 Induction and Orientation programmes were held for newly appointed Hospital Managers and 6 officials attended courses on chairing of meetings and writing of minutes	Further training and development ongoing
To ensure that functional structures and management systems in place at all specialised hospitals	Key structures and systems were established: <ul style="list-style-type: none"> • IMLC • Extended management • Cash flow committee • Facility information officers 	100% of specialised hospitals have extended management teams, IMLC's and Acting Facility Information Officers
Finalise and adopt the package of services at specialised level of care	The draft document has been circulated to all regional institutions to use as a framework for service delivery	Implementation of package of services is ongoing
Improve the quality of hospital administration through inspections	8% inspections completed: <ul style="list-style-type: none"> • FMS 2% • Stores 3% • Transport 1% • Patient administration 2% 	Low inspection rate due to inspectors performing relief work at institutions
Improve basic literacy within the specialised hospitals	A number of staff enrolled for basic literacy courses: <ul style="list-style-type: none"> • 17 for numeracy level 1 • 27 for English Comm. level 1 • 54 for English Comm. level 2 • 88 wrote exams and 82 passed • 4 did not write and 2 withdrew 	Basic literacy training is ongoing

REGIONAL AND SPECIALISED HOSPITALS

Compliance in relation to the Batho Pele Principles

REGIONAL HOSPITALS	NUMBER OF HOSPITALS		
BATHO PELE PRINCIPLES	Compliant 80 - 100%	Partially Compliant 50 - 79%	Non Compliant 0 - 49%
CONSULTATION	8	3	0
SERVICE STANDARDS	9	2	0
ACCESS	5	5	1
COURTESY	5	6	0
INFORMATION	7	4	0
OPENNESS & TRANSPARENCY	6	4	1
REDRESS	10	1	0
VALUE FOR MONEY	5	5	1
ENCOURAGING INNOVATION	3	8	0
CUSTOMER IMPACT	5	5	1
SPECIALISED HOSPITALS	NUMBER OF HOSPITALS		
BATHO PELE PRINCIPLES	Compliant 80 - 100%	Partially Compliant 50 - 79%	Non Compliant 0 - 49%
CONSULTATION	3	2	0
SERVICE STANDARDS	4	1	0
ACCESS	3	2	0
COURTESY	2	3	0
INFORMATION	2	2	1
OPENNESS & TRANSPARENCY	3	1	1
REDRESS	4	1	0
VALUE FOR MONEY	4	1	0
ENCOURAGING INNOVATION	2	3	0
CUSTOMER IMPACT	2	3	0



This hospital is dedicated to the memory of the First Nobel Peace Prize Laureate and the leader of the Liberation struggle in South Africa
Inkosi Albert Luthuli
Opened on 22 November 2002 by
Isilo King Zwelithini kaBhekuzulu and His Excellency Deputy - President J.G. Zuma

PROGRAMME 4:

Central Health Services

This programme consists of the following sub-Programmes :

- Central Hospital Services
- Central Dental Services

CENTRAL HOSPITAL SERVICES

Aim

The aim of this programme is to:

- Provide a highly specialized level of health care; and
- Serve as a forum for the training of medical specialists.

Tertiary and central hospitals, which are included in this programme, represent the third and fourth level of health care in the Province.

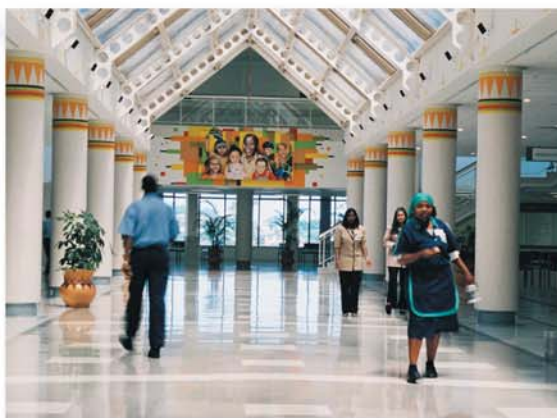
Policy and Developments

Four hospitals are categorized in this programme. They are:

- Inkosi Albert Luthuli Central Hospital
- Grey's Hospital
- King Edward VIII Hospital
- Wentworth Hospital

The Inkosi Albert Luthuli Central Hospital was commissioned with effect from January 2002 and the first patients were attended as outpatients on the 28th June 2002 and the first inpatients were

admitted on the 29th June 2002. The first operation was performed on the 3rd July 2002. The hospital was officially opened by the Deputy President, the Honourable Mr J. Zuma and His Majesty King Goodwill Zwelithini on 22nd November 2002. Our National Minister of Health, Dr M. Tshabalala-Msimang, our Provincial MEC, the Honourable Dr Z.L. Mkhize, the Premier and members of the Cabinet and Legislature as well as the Luthuli family representatives and other dignitaries both local and from abroad attended the prestigious function.



IALCH Reception area

Currently there are approximately 450 patients in the hospital, which, by global standards, is a record as far as commissioning of new hospitals is concerned. This is the first major health PPP/PFI Project and has already generated a number of firsts, namely, the first paperless hospital in Africa and the Southern Hemisphere, the first true central/tertiary hospital in South Africa, the first outsourced hospital for non-core functions and recorded the shortest period in time in completing a PPP/PFI Project and the fastest commissioning rate.

Output and Service Delivery Trends

Outputs	Service Delivery Indicators	Status and Comment
CENTRAL HOSPITAL SERVICES		
To improve the quality of care through the COHSASA accreditation programme	All 4 hospitals on the accreditation programme: <ul style="list-style-type: none"> • Grey's and Wentworth Hospitals maintained their full accreditation status • Inkosi Albert Luthuli Central Hospital entered the two year programme towards the end of the reporting period 	King Edward VIII Hospital is awaiting results of their external survey
Improve quality of care through the complaints procedure	7 registered complaints received and addressed. All complaints were dealt with through the following mechanisms: <ul style="list-style-type: none"> • In-service training on Batho Pele Principles, Professional and Ethical training • Recruitment drives in inadequately staffed hospitals 	Process to continue in the current year with focus on strengthening the complaints mechanism
Improve quality of care through popularisation of Patients' Rights Charter	50% of hospitals responded to survey	Due to the low compliance in displaying the Patients' Rights Charter, the Charter will be launched to focus on patients' rights
Improve quality of care by means of client satisfaction survey	75% of central and tertiary hospitals responded to survey. <ul style="list-style-type: none"> • General satisfaction was expressed about the basic hygiene, safety and security, staff attitudes and access to services • There was dissatisfaction with the long waiting times in OPD and pharmacy, the quality of food and the availability of linen • Clients also displayed inadequate knowledge of patients' rights and complaint mechanisms 	25% of non-responders were followed up and analysis in progress. The system of addressing complaints will be strengthened
Improve quality of care through adherence to Batho Pele Principles	3 hospitals were surveyed (Refer to results on page 63)	Progress continuing with 6-monthly monitoring to be conducted
To ensure that all institutions develop and implement strategic plans	2 hospitals have complied by submitting strategic plans	Lack of capacity at remaining institutions will be addressed in order for them to comply
To finalise the implementation of the new institutional senior management structure	Key posts of Hospital Manager, Medical Manager and Nursing Manager in 2 of the Central and Tertiary hospitals have been filled	The recruitment process in the remaining 2 hospitals is underway

Report of the Head of Department

Outputs	Service Delivery Indicators	Status and Comment
<p>Improve management capacity and develop competencies of senior institutional management teams</p> <p>To ensure that functional management structures and systems are in place at all central and tertiary hospitals</p>	<p>2 Induction and Orientation Programmes were held for newly appointed Hospital Managers; 25 officials attended courses on chairing of meetings and writing of minutes</p> <p>Key structures and systems were established:</p> <ul style="list-style-type: none"> • IMLC • Extended management • Cash flow committee • Facility information officers • Hospital boards 	<p>Further training and development is currently being conducted and logistical arrangements were made to decentralise management training of institutional management teams</p> <p>100% of central and tertiary hospitals have extended management teams, IMLC's and Acting Facility Information Officers</p>
<p>Finalise and adopt the package of service at central and tertiary level of care</p>	<p>The draft document was circulated to all central and tertiary institutions to use as a framework for service delivery</p>	<p>Implementation of package of services is ongoing</p>
<p>Improve basic literacy within the hospitals</p>	<p>The undermentioned staff enrolled for literacy courses:</p> <ul style="list-style-type: none"> • 27 learners enrolled for numeracy level 1 • 25 learners enrolled for numeracy level 2 • 45 learners enrolled for English Comm. level 1 • 76 learners enrolled for English Comm. level 2 • 121 learners wrote exams and 70 passed 	<p>Basic literacy has improved and further courses are being conducted</p>

TERTIARY HOSPITALS (3)

Compliance in relation to the Batho Pele Principles

TERTIARY HOSPITALS BATHO PELE PRINCIPLES	NUMBER OF HOSPITALS		
	Compliant 80 - 100%	Partially Compliant 50 - 79%	Non Compliant 0 - 49%
CONSULTATION	2	1	0
SERVICE STANDARDS	2	1	0
ACCESS	2	1	0
COURTESY	3	0	0
INFORMATION	2	1	0
OPENNESS & TRANSPARENCY	2	1	0
REDRESS	2	1	0
VALUE FOR MONEY	2	1	0
ENCOURAGING INNOVATION	2	1	0
CUSTOMER IMPACT	2	1	0



Africa Health PPP Deal of the Year - 2002 Award

CENTRAL DENTAL SERVICES

Aim

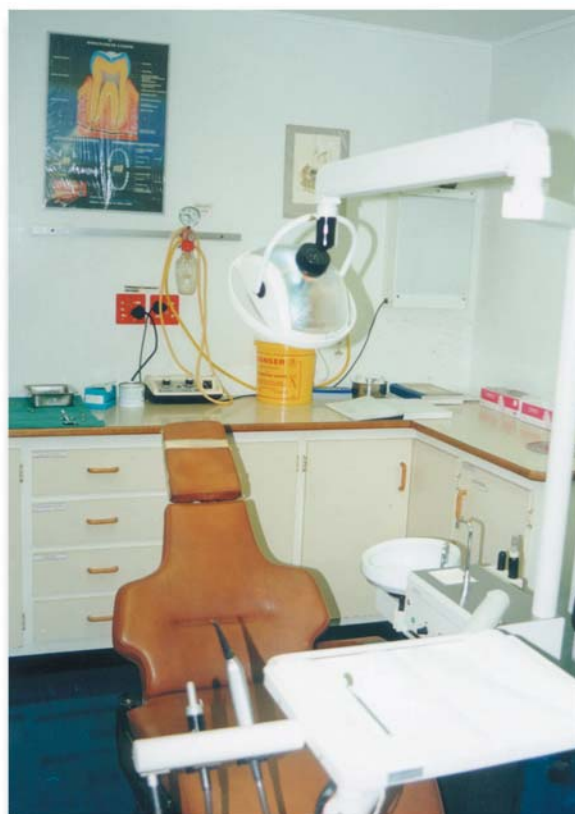
The aim of the programme is to render dental health services and to provide training for oral health personnel.

Policy and Developments

Oral and Dental training provides an important link in the package of services both at institutional and district level. In addition the outreach programmes have helped to bring oral hygiene services closer to the people, especially in the rural areas. In this regard a total of 2 911 programmes were achieved in 4 centres, further outreach community programmes were conducted over weekends at 9 centres, with a total number of 2 265 patients being attended to. Services were also extended to the Department of Correctional Services with a total of 475 patients attended to at Westville Prison.

This programme has adopted an integrated and collaborative approach to dental care in the Province and has worked jointly with the Red Cross Society, the Nelson R Mandela School of Medicine and other organisations to provide optimal dental care across the Province. School children also received the benefit of dental care services through screening programmes. A total of 360 school going children were screened in 27 schools. Services were also extended to specialised clinics, namely, Orthodontic, Periodontic, Prosthodontic, Endodontic and Oral Surgery where 1 739 patients received specialised treatment.

Oral health programmes were conducted in schools, old age homes and orphanages. Treatment was also rendered to a total of 531 medically compromised patients at various centres. During the period under review, a total of 42 093 patients were treated at the Oral and Dental Training Hospital.



Dental facilities

Output and Service Delivery Trends

Outputs	Service Delivery Indicators	Status and Comment
CENTRAL DENTAL SERVICES		
Increase the number of dentists in the Province	77 students trained and 3 380 patients attended to at the Oral and Dental Hospital	Further training and development is an ongoing process
Increase services within outreach programmes	6 278 patients attended to at 14 centres	Quality of patient care was improved
Increase in Oral Health Education and Promotion	27 centres visited by students and 14 160 patients attended to	There is a need to increase capacity in order to cover more centres
Increase in service delivery at Oral and Dental Training Hospitals	42 093 patients attended to and the following procedures were carried out: X-Rays - 2 017 Amalgams - 1 331 Extractions - 19 560 Study Models - 654 Dentures - 256 Root Canal - 198 General Anaesthetic - 981 Composite - 3 765 Periodontic - 253 Minor Surgery - 1 463 Community - 5 574 Prevention - 2 949 Maxi-facial Surgery - 832 Temporary Filling - 2 160	Ongoing
Extend services to Department of Correctional Services	A total of 475 patients were treated and fees in the amount of R55 000 were generated	Ongoing



PROGRAMME 5: Health Sciences and Training

This programme consists of the following sub-Programmes :

- Nursing Training Colleges
- Training Other
- Bursaries
- College of Emergency Care

Aim

The aim of the programme is to:

- To train nursing and ambulance personnel, health workers and personnel in health management, administration and health promotion: and
- Granting of bursaries

Policy and Developments

NURSING TRAINING COLLEGES

Doubling of nurse intake

The exodus of nurses from South Africa is continuing at an alarming rate, therefore creating a "brain drain" resulting in a dramatic shortage of nurses in all care institutions. As a means of rectifying the situation the Department took a resolution to create non-nursing posts so that the available nurses could focus on core services rather than ancillary services. A further resolution was taken to double the intake of students in the nursing colleges and schools with a view to increasing the number of nurses in the institutions.

Over the period 1 January to December 2002 educational institutions doubled their intake of

students, with the aim of converting the ratio of professional nurses to enrolled nurses from 2:1 to 1:2. A total of 1 035 additional training posts were created. All of these posts have been successfully utilized, thus having doubled the intake mean of 2001 by more than 100%.

Implementation of Nurse Training Contracts

One measure of success is the implementation of the nurse training contracts. In this regard the trainee enters into a contractual agreement with the KwaZulu-Natal Department of Health whilst undertaking a course of study. The Study Leave Contract was designed for employees who undertake post-basic courses. These employees are released on study leave or on secondment. The Fixed Term contract was designed for all entry grade posts for student/pupil nurses. The hallmark of both these contracts is that the signatories are obliged to pay back service on a year for year basis. This has been effected as a retention strategy and to address the shortage of nurses.

Central Selection for Admission to all Basic Nurse Training Programmes

The implementation of the central selection policy for all basic nurse training programmes was effected from 1 February 2002 as a pilot and was subsequently utilized for the first 2003 intake. All KwaZulu-Natal Department of Health regions and districts were actively involved in setting up the selection process. All prospective candidates for the year were selected through the Central

Selection process. The Central Selection process was aimed at enhancing transparency, equitable access to training programmes and objectivity in the selection of nurse trainees.

Career Pathing for Nurses

The Department is in the process of formulating a Recognition of Prior Learning Policy. In this regard a successful workshop for KZN nurse educators has been held. The workshop is seen as an important step in the implementation of recognition of prior learning in Kwa-Zulu Nursing Education institutions. Once capacitated, KwaZulu-Natal nurse educators will be able to assess candidates for RPL thus enhancing access to nurse training programmes. In particular this policy will enable auxiliary and enrolled nurses to access Professional Nurse programmes through Recognition of Prior Learning.

Upgrading of the KwaZulu-Natal Nursing College/School Principals' Posts

During the reporting period, nursing college and school principals were upgraded from levels 8-10 and levels 9-11 on the salary scale. This upgrading of the posts was in line with the Province's retention policy.

Amalgamation and Rationalization of Nursing Education

The amalgamation and rationalization of nursing education has commenced. In this regard the establishment of one KwaZulu-Natal College of Nursing is in progress, and it is anticipated that there will be a uniform nursing curriculum in place by the end of 2003.

Decentralization of Nursing Programmes

The nursing education institutions have decentralized most of the post-basic and basic programmes. Bridging programmes for Enrolled Nurses, post basic programmes in Primary Health Care, Advanced Midwifery and Operating Theatre Nursing have been decentralized. Institutions are engaged in applying for the decentralization of other programmes such as the one-year Midwifery programme.

TRAINING OTHER

Pharmacology Training

The aim of pharmacology training is to skill nurses in all areas of pharmaco-dynamics, pharmaco-genetics and pharmaco-kinetics. It also ensures that there is competency by PHC nurses in the use of the Essential Drug List. Pharmacology training for nurses has been carried out in all districts.

PHC Task Team

A new task team has been formulated for PHC with the aim of integrating PHC training in KZN. The team commenced with the compilation of educational material for health professionals in PHC services.

District Training Plans

District training plans have been formulated to analyze the training and education programmes in terms of the district needs and priorities. It is also to determine the role of Provincial human resource development in this process. In this regard road shows have been carried out in the districts.

Clinic Manual Supervision Course

The aim of the above mentioned course is to facilitate quality clinic supervision. Training has been conducted in the districts and a monitoring system is being established to monitor the impact on the quality of care at the PHC services.

Training Programmes for PHC Workers

Training has been conducted in the following areas:

- Integrated management of childhood illnesses
- Sexually transmitted infections
- Community facilitation course – to ensure successful community entry by health professionals
- Vitamin A supplementation
- Growth monitoring
- Chronic diseases

PHC Diploma Courses

Training of PHC diploma courses is undertaken in conjunction with various tertiary institutions, nursing colleges and schools and the South African Military Health Service. Specialist courses have also been undertaken in the areas of advanced midwifery courses and eye care courses. PHC nurses are also carrying out studies independently in the areas of community health courses and psychiatric nursing. Primary Health Care Nurse training has been provided for 41 nurses at the University of Potchefstroom and the Natal Institute of Nursing. Additionally 95 nurses have undergone PHC Pharmacy training.

Implementation of the Work Place Skills Plan

The Workplace Skills Plan is aimed at the empowerment of previous disadvantaged and

marginalised groups and to redress these disadvantages through training and improve prospects of career advancement and labour mobility of employees. Road shows have been undertaken in all districts to ensure effective implementation. The devolution of the Skills Development Fund to District Offices is aimed at enhancing accessibility to training.

Skills Development: Core and Non-Core Functions

The policy mandate in respect of the above is the Skills Development Act. In this regard, 65 Skills Development Facilitators have been trained. Fifty NurseTutors have been trained in the Recognition of Prior Learning and as Assessors. The abovementioned training is part of an ongoing endeavour to allow for career-pathing within the nursing profession. In this regard 47 Nurse Educators were involved in a one-week workshop aimed at introducing a uniform curriculum within the Province of KZN. Thirty National Qualification Framework Level 3 employees are undergoing matriculation classes on a part-time basis and 26 employees have attended a three-day HIV/AIDS workshop. Additionally 1 000 people attended an AIDS conference during April 2002 at a cost of R20 000.

Management Training

Ten managers are in the process of attending the Presidential Leadership Programme; additionally 10 managers are attending the Executive Management Development Programme as coordinated by the Office of the Premier.

A total of 50 sub-district core team leaders have been trained in transformational leadership. A total of 95 middle managers have been trained

under the Covey Management Programme and 23 managers are attending the Mesol Training Programme.

Career Pathing

Twenty-nine Dark Room Assistants are in the process of being re-skilled as radiographers by the Durban Institute of Technology. This intervention will enable effective career-pathing and efficient service delivery at institutions.

BURSARIES

Bursary Database

There are currently 20 Universities/Technikons that are on the Department of Health's Bursary database. Furthermore 15 different Health Sciences-related fields on the database, which the Department of Health sponsors.

KZN Department of Health Bursary Allocation

First-time bursary holders for the year 2002 include the following:

- 90 MBChB students
- 24 B Pharmacy students
- 27 Bachelor of Radiography
- 6 Dentistry students
- 29 B Cur students
- 3 B Occupational Therapy students

A total of 179 new Bursaries were issued for 2002 at a cost of R 4 943 597, thus bringing the total to 484 bursaries at a total cost of R 23 610 460.

Cuban Programme

Of the 97 students on the Cuban Programme, 11 new students have been sent for the year 2002. The Cuban Medical Programme was initiated by the National Department of Health in July 1998. The initiative to send South African students to study as medical practitioners in Cuba is based on the need in South Africa to train more African and Coloured doctors and to ensure that training is commensurate with the PHC model. The objective is to train more medical doctors due to a shortage of this resource particularly in disadvantaged areas, as well as to develop disadvantaged communities.

Pilot Project

This project concentrates on the decentralization of the selection of students for the award of bursaries. The project has been undertaken in DC27 (Umkhanyakude) to set up a structure to ensure that all relevant role players are actively involved in nominating students to receive a bursary as per the needs determined by the Department.



Renal Unit at Grey's Hospital

Output and Service Delivery Trends

Outputs	Service Delivery Indicators	Status and Comment	
NURSING TRAINING COLLEGES			
Central selection for nurse training	790 centrally selected students	Processes ongoing in accordance with multi-year project and plans	
Fixed term contract for new nursing recruits	1 214 contracted training nurses		
Study leave contract for employed nurses	711 study leave contracts entered into		
Decentralised post-basic nursing programmes	Successfully decentralised the following: <ul style="list-style-type: none"> • Bridging programmes for enrolled nurses • Post-basic programmes in PHC • Advanced Midwifery • Operating Theatre Nursing 	Output achieved	
Doubling of student nurse intake	Annual intake figure successfully doubled to 2 009: <ul style="list-style-type: none"> • Bridging Nurse Training 346 • Basic Nurse Training 1 214 • Post-Basic Nurse Training 365 • PHC Nurse Training 84 	Output achieved	
Prioritisation of pharmacology for PHC nurses	103 nurses trained in pharmacology	Further training ongoing	
TRAINING OTHER			
To establish Workplace Skills Development Committees	Committees established and 62 officials trained in Learnerships, 13 541 in skills programmes in accordance with Workplace Skills Plan	Training is ongoing in all categories and is revised in accordance the Workplace Skills Plan	
Recognition of Prior Learning training	50 Assessors trained 10 Moderators trained		
Management Training	Executive Management Development training attended by 10 Senior Managers IPSP (Leadership for Senior Management) attended by 10 Senior Managers		
ABET Training	1 600 adult learners enrolled within the 2001-2004 MTEF 150 ABET tutors trained		
Cuban Medical Programme	97 KZN students in Cuban Medical Programme		
National bursaries in health related fields	Situational Needs Analysis conducted with HR Planning to determine occupational requirements of KZN; a total of 521 bursaries have been awarded with 197 new bursaries for 2003		
Monitoring and evaluation of bursary obligations	R350 000 recovered from bursary obligation defaulters		
			First graduates return to SA 2005
			Bursaries are awarded annually based on the need in KZN in line with the Department's equity ratios. Particular emphasis is given to awarding bursaries to rural students to enhance the Department's retention strategy. All bursary students are contracted in this regard
		Bursary commitments to be loaded onto PERSAL at completion of studies to increase efficacy of monitoring	

Report of the Head of Department

HEALTH SCIENCES AND TRAINING

Outputs	Service Delivery Indicators	Status and Comment
EMERGENCY MEDICAL RESCUE SERVICES TRAINING		
Doubling of students undertaking the intermediate life support course (ILS)	A total of 150 students were enrolled in ILS with 101 completing the course	809 Emergency Care Practitioner Basic – are still to be trained in ILS
Intensify Drivers Technique Course and decentralize it to District level	42 newly appointed Emergency Care Practitioners have undergone training in Driver Training techniques. Sixteen candidates had also passed Advanced Defensive Driver Training Course	216 newly-appointed Emergency Care Practitioners are still to be trained in Driver Training techniques
Provide Advanced Life Support Course Training to areas of need	Total of 29 have enrolled for ALS. Of the 20 that passed 3 were from previously disadvantaged areas	20 more candidates are to be trained in ALS to reach the status of 112 ALS in the Province
Ensure equitable training of Medical Rescue Technicians throughout the Province	40 students enrolled for Medical Rescue Training and 24 candidates were successful	809 ECP – B are still to be trained in Medical Rescue Technician courses
Finalise partnership with the Durban Institute of Technology for the training of Advanced Life Support Paramedics and the moderation of examinations and training standards	Negotiations with the Durban Institute of Technology were completed	Draft agreement awaiting finalisation



Care and compassion in our Paediatric Wards

PROGRAMME 6:

Auxiliary and Associated Services



Handing over of ultrasound equipment at King Edward VIII Hospital

This programme consists of the following sub-Programmes :

- Medvas Trading Account
- Provincial Motor Transport
- Physical Facilities Management

MEDVAS Trading Account

MEDVAS is the enabling account for the procurement of medicines and surgical sundries for all provincial health facilities in the Province.

Provincial Motor Transport

Aim

To provide an efficient fleet management service in the Department and to ensure enhancement of service delivery through Transport Management excellence.

Policy and Developments

The Provincial Vehicle Replacement Policy is in place and is being implemented with the aim of eliminating vehicles which are no longer cost-effective to run and to further encourage the Department to maintain a young and optimal fleet size which will significantly reduce the repairs and the maintenance costs.

Plans are currently being formulated for an integrated Planned Patient Transport Service. This service will add value to service delivery especially for the transportation of non-emergency patients between hospitals and clinics. This service will ensure that patients from peripheral hospitals can access the necessary specialist medical service.

In line with the decentralisation initiatives of the Department, the process of decentralising the transport advisory function to the 11 districts is underway. This will assist in bringing the service closer to the clients in the community. This exercise is also aimed at eliminating the abuse/misuse of Departmental vehicles and improve transport management.

Of the 294 vehicles that were ordered for the Department during the year, 258 vehicles were received and allocated as follows:

Report of the Head of Department

DISTRICTS	VEHICLES RECEIVED AND ALLOCATED
DC 21 and DC 43 Ugu and Sisonke	21
DC 22 uMgungundlovu	63
DC 23 uThukela	2
DC 26 Zululand	10
DC 27 Umkhanyakude	27
DC 29 iLembe	47
DC 24 and DC 25 Umzinyathi and Amajuba	57
DC 28 uThungulu	31
TOTAL	258

Output and Service Delivery Trends

Outputs	Service Delivery Indicators	Status and Comment
TRANSPORT		
To enhance service delivery at district level by the provision of vehicles	A total of 294 new vehicles were ordered, of which 258 were received and allocated to the 11 districts	Remaining vehicles will be distributed when received
Ensure training of Transport Officers at all hospitals	53 Transport Officers successfully completed an introductory course on Transport Management and 58 Transport Officers successfully completed the Advanced Course	There has been an improvement in operating and driving skills, the non-reporting of accidents has been reduced to a minimum and there has been an overall improvement in efficiency and productivity in the use of official vehicles
Prevent unauthorized use of Governmental vehicles	129 Drivers of official vehicles were trained on a follow-up transport course during the year 16 workshops were conducted at various centres in the Province with all stakeholders including the Department of Transport. This resulted in the number of vehicles being impounded for unofficial use from 30 to nil in a matter of 2 months	Process ongoing and regular monitoring maintained

PHYSICAL FACILITIES MANAGEMENT

Aim

The aim of the programme is to:

- Manage the physical facilities of the Department;
- Provide new facilities, for example clinics and community health centres;
- Maintain the existing structures; and
- Conduct facilities audits

Policy and Developments

All medical equipment maintenance and repair work is undertaken by the Medical Technical Division. Maintenance of buildings is either undertaken by the Department or through the Provincial Works Department, based on the nature and complexity. The latter undertake major constructions, repair and maintenance work at hospitals as and when required to do so.

The most urgent priority is to address the backlog of maintenance and rehabilitation of hospital infrastructure. The backlog is currently estimated at over R2,4 billion. The strategy is to maximise the available resources through a combination of in-house and outsourced work. Work is focused on schemes that will lead to the realisation of the strategic plan of the Department.



Construction of the Nsenleni Community Health Centre



Exterior of the Nsenleni Community Health Centre



Official opening of Nsenleni Community Health Centre

Output and Service Delivery Trends

Outputs	Service Delivery Indicators	Status and Comment
PHYSICAL FACILITIES MANAGEMENT		
Build new/undertake major upgrades to clinics and Community Health Centres after consultation and investigation with all role players including the Communities	7 new clinics were planned and constructed and 7 clinics received major upgrades	Ongoing in line with the multi-year plan
Provide Telephones to those Clinics without this service	111 new telephones were installed at clinics	4 installations could not be achieved due to lack of service provider infrastructure
Provide upgraded access roads per Health District to improve the access to Primary Health Care Facilities	6 access roads completed	Further access roads to be completed in the near future
Provide grid electricity to those Clinics without this service	4 of 6 clinics provided with electrification	All but 2 clinics in the Province have been electrified
Develop a Maintenance Procedure Manual to assist Institutions in the correct management of maintenance work as well as the regulations controlling this function	Procedure manual completed and distributed to all institutions	Successfully completed project
Introduce a training programme aimed at the further development of semi-skilled workers in order to improve the service delivery in the field of maintenance	361 workers trained	Training ongoing for different levels of training
To convert from steam boilers to electric boilers	4 conversions completed	Successfully completed and further conversions planned
Undertake the appropriate planning of projects and implementation of work relative to the National Hospital Revitalisation Project	3 identified Hospital revitalisation projects initiated	3 identified – 1 planning complete Commencement of planning for balance
To provide an efficient system for the tracking of projects and to maintain accurate cash flow	Developed a Contract Administration and Project Support Office	Establishment under review. Software development and training ongoing
Develop medium to long term institutional infrastructure plans	Physical Facilities policy developed and implemented and a multi-disciplinary Planning Forum was established	Multi-year plans produced thus facilitating more effective planning of projects
Ensure accessibility to detailed Long-Term Plan for the Rehabilitation of Physical Facilities on the Intranet	Plans published on website which allows easy access to information and promotes transparency	Finalised with regular review and updating
Identify and replace Mobile Clinics in order to improve service delivery	56 new/replacement mobile clinics purchased	Successfully completed

TRANSFER PAYMENTS

The Department provided a budget allocation of R 376 072 000 for transfer payments. Of this amount, R 48 789 000 was allocated to Municipalities, R 322 283 000 was allocated to State Aided and Non-Government Organisations and R 5 000 000 to MEDVAS.

Summary of Transfer Payments

RECIPIENT	ALLOCATION R '000	EXPENDITURE R' 000	VARIANCE R' 000
Municipalities	48 789	48 104	685
State Aided and Non-Government Organisations	322 283	334 738	(12 455)
MEDVAS (Standard Stock Trading Account)	5 000	5 000	0
TOTAL	R 376 072	R 387 842	(R 11 770)

Information on transfer payments per organisation is detailed in the Financial Statements.

CONDITIONAL GRANTS

The amount allocated for Conditional Grants for 2002/03 was R 1 167 495 000 of which R 1 974 000 was a roll-over from 2001/02 for HIV/AIDS.

Summary of Conditional Grants for 2002/03

Conditional Grant	Total Allocation R' 000	Total Transfers R' 000
Health Professions Training and Development	164 755	164 755
HIV/AIDS Health	54 470	54 470
Hospital Management and Quality Improvement	19 000	19 000
Hospital Revitalisation	111 000	111 000
Integrated Nutrition Scheme	136 337	136 337
National Tertiary Services	488 575	488 575
Cholera Epidemic	147 000	147 000
Provincial Infrastructure	46 358	46 358
TOTAL	1 167 495	1 167 495

CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN

The following building projects are currently in progress.

DISTRICT	2003/2004		2004/2005		2005/2006		GRAND TOTAL	
	No. of Projects	Amount	No. of Projects	Amount	No. of Projects	Amount	No. of Projects	Amount
Ugu	24	9 036 466	3	2 800 000			27	11 836 466
uMgungundlovu	38	22 290 701	9	16 077 667	1	50 000	48	38 418 368
uThukela	12	8 248 420	4	2 050 000	1	250 000	17	10 548 420
Umzinyathi	21	8 243 540	2	1 200 000			23	9 443 540
Amajuba	13	6 415 195	3	4 800 000			16	11 215 195
Zululand	27	13 305 981	2	1 654 273			29	14 960 254
Umkhanyakude	36	19 542 028	5	5 422 338			41	24 964 366
Uthungulu	56	26 967 590	7	14 995 560			63	41 963 150
iLembe	12	4 253 427	1	1 800 000			13	6 053 427
Sisonke	18	9 402 612	1	500 000	1	2 000 000	20	11 902 612
eThekweni	44	40 601 289	10	20 004 643	6	9 200 000	60	75 805 932
HO	1	15 000 000	2	3 000 000			3	18 000 000
TOTAL	302	183 307 248	49	80 304 481	9	11 500 000	360	275 111 729

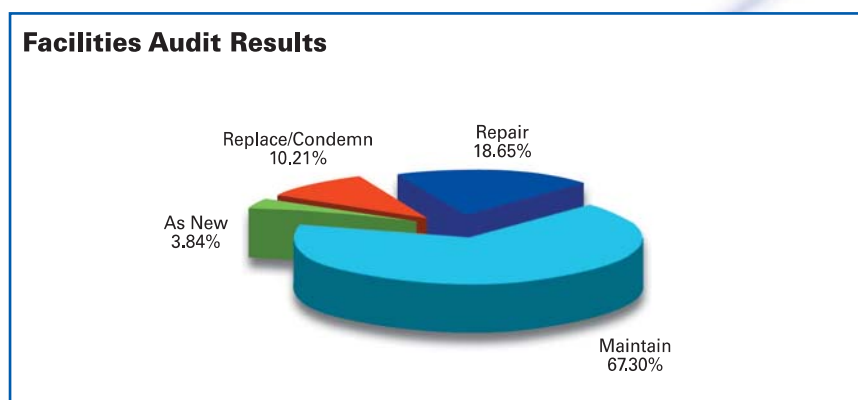
There are no plans to close down or down grade any facilities.

The current maintenance backlog is estimated at R 2,9 billion. Based on a phased rehabilitation programme of 8 years it would require R 371 million annually to address these deficiencies. The present shortfall in this respect is 59,3%. At this rate the backlog would take 25 to 30 years to address.

Each year the allocation is increased by some 20% in an effort to combat this deterioration. All necessary projects are identified and "ready to go" subject to funds being made available.

The projects underway are fully funded over the MTEF period. The additional backlog in maintenance cannot be addressed without additional funding being made available.

The current state of the department's capital stock is depicted in the pie chart below.



Report of the Head of Department

The following major maintenance projects have been undertaken during the financial year:

HOSPITAL	DESCRIPTION	COST
Addington	R&R to exterior and flat roofs	2 000 000
Addington	Upgrade lifts - phase 2	1 200 000
Addington	Upgrade lifts - phase 3	5 000 000
Applesbosch	Upgrade kitchen and laundry block	6 419 000
Benedictine	Water/sewer reticulation + sewer screen	800 000
Catherine Booth	Equipment - New Maternity ward	550 000
Charles Johnson Memorial	Install lift	550 000
Charles Johnson Memorial	Staff (Nurses) Accommodation	1 000 000
Christ the King	Paint roofs and gutters	900 000
Christ the King	Upgrade wards, kitchen and gensets	3 570 000
Clairwood	Emergency supply to wards	660 000
Clairwood	Mini laundry, upgrade and replace admissions	2 300 000
Clinics	Amakabela - repairs and upgrading	547 000
Clinics	Ehlanzeni - repairs and upgrading	650 000
Clinics	Esidumbini - repairs and upgrading	705 000
Clinics	Maguzu - repairs and upgrading	565 000
Clinics	Morrisons Post - RR to clinic/outbldgs/residences, upgrade roads and pathway, demolish outside toilets	676 000
Clinics	Nondweni - maintenance	600 000
Clinics	Osizweni 1 - maintenance/minor new works	700 000
Clinics	Qinelani - access road	1 000 000
Community Health Centres	Ndwedwe - OPD etc - new works	550 000
Dundee	Repairs to roof	600 000
Emmaus	Upgrade kitchen	900 000
Empangeni	Replacement of downpipes and roof - phase 2	1 500 000
Estcourt	Renovate and upgrade ablutions and wards	1 160 000
Fort Napier	Replace roll-ironer	1 200 000
GJ Crookes	Upgrade laundry and mortuary	2 346 400
Greys	Replace chillers	2 600 000
Hillcrest	Replace roofs, mini laundry and hot and cold water reticulation (incl fire mains)	6 100 000
King Edward VIII	Fire mains and water reticulation	7 500 000
King Edward VIII	Repairs to college of nursing	730 000
King Edward VIII	Replace ceilings, floors S,I,N,O Block	810 000
King Edward VIII	Upgrade lifts - N Block	600 000
King Edward VIII	Upgrade lifts - S Block - DE 887 and 888	700 000
King Edward VIII	Upgrade mortuary and laboratory	12 750 000
Ladysmith	Conversion of boiler -upgrade electrics	650 000
Ladysmith	Replace air-handling units	2 300 000
Ladysmith	Upgrade elevators - DE1951,1952,2664,2665,2666	2 800 000
Ladysmith	Upgrade main Air con - phase 1	1 800 000
Ladysmith	Upgrade OPD roof and passageways	2 000 000
Madadeni	Installation of perimeter fence	600 000
Madadeni	Painting and repairs to roofs	1 000 000

Report of the Head of Department

HOSPITAL	DESCRIPTION	COST
Manguzi	Upgrade ablutions in wards	1 400 000
Mbongolwane	Upgrade wards, water sewerage + drainage	3 000 000
Mortuaries	Provision of temp mortuary facilities - various	650 000
Mosvold	Extensions to kitchenette in wards	1 300 000
Murchison	R & R to male and female wards	620 000
Murchison	Upgrade old nurses home to children's ward	1 500 000
Natalia	Fire detection system	2 000 000
Natalia	Fire protection	1 600 000
Natalia	Genset control panels	600 000
Natalia	Lifts - mech upgrade	5 500 000
Natalia	Resurface Red Square	1 000 000
Natalia	Upgrade Central AC unit	14 000 000
Northdale	OT AHU's + steam heating	1 100 000
Northdale	PMB Assessment centre - Replace roof	600 000
Northdale	Replace aircon in OT and ICU, Replace main chiller plants	3 100 000
Northdale	RR to ablutions in Nurses home	700 000
Northdale	Upgrade OPD facilities	6 000 000
Osindisweni	Floor covering B4	550 000
Osindisweni	Painting internal/external B4	501 000
Osindisweni	Painting internal/external B4	501 000
PABX	Edendale	1 000 000
Prince Mshiyeni	Repair pre-cast fencing	600 000
Prince Mshiyeni	Repair spalling concrete	3 200 000
Regional laundry Northern Natal	Repairs to tar driveway	550 000
Regional laundry Northern Natal	Replace Washer extractor x Roll-ironer	3 000 000
St Andrews	Replace water reticulation	520 000
St Apollinaris	Upgrade sewerage works	975 000
St Apollinaris	Upgrade water supply	2 000 000
Stanger	R&R to staff and doctors quarters	750 000
Tayler Bequest	Boiler conversion - upgrade mini-sub	700 000
Tayler Bequest	Painting exterior of hospital	750 000
Tayler Bequest	Upgrade theatre and flooring in hospital	2 700 000
Town Hill	Upgrade water mains	3 100 000
Umgeni	Renovate staff houses - structural	600 000
Unclassified	CPS - R&R to bldgs	750 000
Untunjambili	New male and female wards	4 500 000
Usher Memorial	Extension to kitchen	2 000 000
Usher Memorial	Painting roofs and externals of hospital	550 000
Water purification	Water purification	40 590 343
Wentworth	Fencing and embankment	1 000 000
Wentworth	O block theatre air-conditioning	3 000 000
Wentworth	Painting and sealing of roofs - Phase 1	750 000
Wentworth	Painting and sealing of roofs - Phase 2	750 000
Wentworth	Replacement of R11 chiller in OPD	1 500 000

Report of the Head of Department

REPORT OF THE HEAD OF DEPARTMENT

The total assets of the Department is estimated at R 10 billion, inclusive of stock holding in all health institutions with all the associated facilities.

The following projects will be carried forward from the 2002/2003 financial up to and including 2005/2006.

DISTRICT	2003/2004		2004/2005		2005/2006		GRAND TOTAL	
	No. of Projects	Amount	No. of Projects	Amount	No. of Projects	Amount	No. of Projects	Amount
Ugu	9	6 005 742	3	2 800 000			12	8 805 742
uMgungundlovu	16	12 400 932	8	15 327 667	1	50 000	25	27 778 599
uThukela	8	7 908 820	3	1 800 000			11	9 708 820
Umzinyathi	7	5 764 191	2	1 200 000			9	6 964 191
Amajuba	4	3 651 719	3	4 800 000			7	8 451 719
Zululand	8	8 521 379	2	1 654 273			10	10 175 652
Umkhanyakude	14	13 903 908	2	2 722 338			16	16 626 246
Uthungulu	21	17 115 453	3	10 422 102			24	27 537 555
iLembe	5	2 714 427					5	2 714 427
Sisonke	8	7 243 063			1	2 000 000	9	9 243 063
eThekwini	18	31 049 893	9	24 784 643	4	9 200 000	31	65 034 536
HO			1	2 000 000			1	2 000 000
TOTAL	118	116 279 527	36	67 511 023	6	11 250 000	160	195 040 550

The following new projects will commence in the forthcoming financial year:

DISTRICT	2003/2004		Priority
	No. of Projects	Amount	
Ugu	4	2 300 000	1
uMgungundlovu	5	2 350 000	1
uThukela	3	1 250 000	1
Umzinyathi	4	1 350 000	1
Amajuba	3	400 000	1
Zululand	7	13 825 489	1
Umkhanyakude	5	2 218 318	1
Uthungulu	6	2 858 620	1
iLembe	3	1 832 764	1
Sisonke	4	4 245 000	1
eThekwini	7	1 650 000	1
TOTAL	51	34 280 191	1

Report of the Head of Department

The Department follows the prescribed tender and procurement process in terms of the Procurement Act, 2001 (Act No. 3 of 2001). The Department conducts all procurement in line with the Procurement and General Delegations of Authority.

In line with the Department's Strategic Positioning Statement and the multi-year capital project plans, provision is made to maintain the infrastructure created by the capital investment. In this regard up to $\pm 2\%$ of capital investment is annually provided.

Trading Activities

The Department of Health has only one (1) trading entity, namely, Provincial Medical Supply Centre (PMSC), which conducts its activities under the MEDVAS Trading Account.

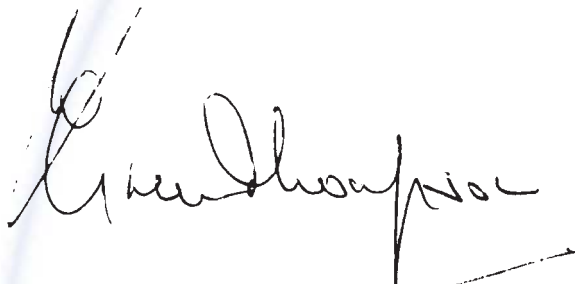
PMSC was established in terms of the Hospitals Ordinance, No. 13 of 1961 and functions under the Medicines Control Act, Act No 101 of 1965. The functions of PMSC are the procurement of pharmaceuticals and surgical sundries and the distribution thereof to all provincial health institutions. The management of PMSC is accountable to the Head of Department as the Accounting Officer.

The following aspects are discussed in detail in the Management Report under the heading of Annual Financial Statements:

- Public/Private Partnership
- New/Proposed new activities
- Risk Management and Fraud
- Implementation of PFMA
- Other
- Events after Balance Sheet Date

Approval

I, Professor R W Green-Thompson, Accounting Officer and Head of Department, hereby approve the Annual Report which appears on pages 1 to 102 and the audited financial statements on pages 118 to 161 and 164 to 181 for the 2002/2003 financial year on the 8 August 2003.



PROFESSOR R W GREEN-THOMPSON
Superintendent-General and Accounting Officer
Head: Department of Health
KwaZulu-Natal

PART 4:

Human Resource Management

TABLE 2.1 – Personnel costs by programme, 2002/ 03

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Personnel cost as a percent of total expenditure	Average personnel cost per employee (R'000)	Employment
Programme 1: Administration	143 866	83 962	797	28 405	58.36	111	756
Programme 2: District Health Services	3 819 258	2 327 756	3 989	290 296	60.95	87	26 621
Programme 3: Provincial Health Services	2 027 810	1 346 307	588	137 539	66.39	81	16 709
Programme 4: Central Health Services	976 050	378 275	204	425 600	38.76	158	2 396
Programme 5: Health Sciences	199 655	150 142	199 655	1 514	75.20	46	3 287
Programme 6: Auxilliary and Associated Services	329 010	0	0	86 264	0.00	0	0
Total	7 495 649	4 286 442	205 233	969 618	57.19	86	49 769

*Please note this figure differs from the item Personal Expenditure in Table 2.2 as the latter includes government contributions to pensions, etc, which are not included in this Table

TABLE 2.2 – Personnel costs by salary bands, 2002/ 03

Salary bands	Personnel Expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)	Total Personnel expenditure	No of employees
Lower skilled (Levels 1-2)	637 956	14.8	43 493	4 306 458	14 668
Skilled (Levels 3-5)	1 038 732	24.1	65 461	4 306 458	15 868
Highly skilled production (Levels 6-8)	2 006 629	46.6	117 128	4 306 458	17 132
Highly skilled supervision (Levels 9-12)	539 179	12.5	256 508	4 306 458	2 102
Senior management (Levels 13-16)	50 759	1.2	445 254	4 306 458	114
Other	33 202	0.8	0	4 306 458	0
Total	4 306 457	100	86 329	4 306 458	49 884

Report on Human Resource Management

TABLE 2.3 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by programme, 2002/ 03

Programme	Salaries		Overtime		Home Owners Allowance		Medical Assistance		Total Personnel cost (R'000)
	Amount (R'000)	Salaries as % of personnel cost	Amount (R'000)	Overtime as % of personnel cost	Amount (R'000)	HOA as % of personnel cost	Amount (R'000)	MA as % of personnel cost	
Programme 1: Administration	59 930	71.4	479	0.6	1 871	2.2	4 298	5.1	83 962
Programme 2: District Health Services	1 644 111	70.6	71 936	3.1	36 393	1.6	130 853	5.6	2 327 756
Programme 3: Provincial Health Services	917 773	68.2	64 839	4.8	30 074	2.2	75 749	5.6	1 346 307
Programme 4: Central Health Services	259 165	68.5	23 849	6.3	7 557	2	18 875	5	378 275
Programme 5: Health Sciences	112 658	75	215	0.1	1 287	0.9	7 779	5.2	150 142
Programme 6: Auxilliary and Associated Services	0	0	0	0	0	0	0	0	0
Total	2 993 637	69.8	161 318	3.8	77 182	1.8	237 554	5.5	*4 286 442

*Please note this figure differs from the item Personal Expenditure in Table 2.2 as the latter includes government contributions to pensions, etc, which are not included in this Table.

TABLE 2.4 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands, 2002/ 03

Salary bands	Salaries		Overtime		Home Owners Allowance		Medical Assistance		Total Personnel cost (R'000)
	Amount (R'000)	Salaries as % of personnel cost	Amount (R'000)	Overtime as % of personnel cost	Amount (R'000)	HOA as % of personnel cost	Amount (R'000)	MA as % of personnel cost	
Lower skilled (Levels 1-2)	459 509	72	693	0.1	10 048	1.6	38 380	6	637 956
Skilled (Levels 3-5)	721 376	69.4	15 284	1.5	22 386	2.2	75 500	7.3	1 038 732
Highly skilled production (Levels 6-8)	1 423 404	70.9	27 181	1.4	40 031	2	118 368	5.9	2 006 629
Highly skilled supervision (Levels 9-12)	321 207	59.6	111 638	20.7	4 501	0.8	15 521	2.9	539 179
Senior management (Levels 13-16)	25 544	50.3	6 371	12.6	425	0.8	1 458	2.9	50 759
Other	1 360	4.1	0	0	0	0	7	0	33 202
Total	2 952 400	68.6	161 167	3.7	77 391	1.8	249 234	5.8	4 306 457

Report on Human Resource Management

TABLE 3.1 – Employment and vacancies by programme, 31 March 2003

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Programme 1: Administration	1 076	756	29.74	5
Programme 2: District Health Services	36 849	26 621	27.76	1
Programme 3: Provincial Health Services	21 001	16 709	20.44	2
Programme 4: Central Health Services	3 799	2 396	36.93	2
Programme 5: Health Sciences	4 251	3 287	22.68	0
Programme 6: Auxilliary and Associated Services	0	0	0	0
Total	*66 976	49 769	25.7	10

**Please note that the total number of posts indicated in Table 3.1 above differs from the total number of posts indicated in Table 3.2. The reason for this variance is that those officials who occupy Medvas posts (130 posts) are not paid by the Department and therefore are not included in Employment and Vacancies by Programme. Additionally, officials occupying Special Functions posts (29 posts) have only a portion of their salaries paid by the Department of Health and are therefore also not represented on this Table.*

TABLE 3.2 – Employment and vacancies by salary bands, 31 March 2003

Salary band	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2)	20 426	14 639	28.3	0
Skilled (Levels 3-5)	20 317	15 736	22.5	0
Highly skilled production (Levels 6-8)	22 709	17 287	23.9	9
Highly skilled supervision (Levels 9-12)	3 376	2 109	37.5	2
Senior management (Levels 13-16)	306	124	59.5	0
Total	67134	49895	25.7	11

Report on Human Resource Management

TABLE 3.3 – Employment and vacancies by critical occupation, 31 March 2003

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Dental Practitioners, permanent	73	27	63.01	0
Medical Practitioners, permanent	1 258	608	51.67	1
Professional Nurse, permanent	11 808	8 631	26.91	0
Radiography, permanent	720	323	55.14	0
Staff Nurses and Pupil Nurses, permanent	8 419	6 300	25.17	0
Total	22 278	15 889	28.68	1

TABLE 4.1 – Job Evaluation, 1 April 2002 to 31 March 2003

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)	20 426	954	4.7	2	0.2	0	0
Skilled (Levels 3-5)	20 317	859	4.2	102	11.9	7	0.8
Highly skilled production (Levels 6-8)	22 709	510	2.2	58	11.4	2	0.4
Highly skilled supervision (Levels 9-12)	3 376	357	10.6	120	33.6	6	1.7
Senior Management Service Band A	244	31	12.7	5	16.1	0	0
Senior Management Service Band B	58	1	1.7	0	0	0	0
Senior Management Service Band C	3	0	0	0	0	0	0
Senior Management Service Band D	1	1	100	0	0	0	0
Total	67 134	2 713	4	287	10.6	15	0.6

TABLE 4.2 – Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2002 to 31 March 2003

Beneficiaries	African	Asian	Coloured	White	Total
Female	17	4	1	4	26
Male	7	9	1	8	25
Total	24	13	2	12	51
Employees with a disability					0

Report on Human Resource Management

TABLE 4.3 – Employees whose salary level exceed the grade determined by job evaluation, 1 April 2002 to 31 March 2003 (in terms of PSR 1.V.C.3)*

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Total Number of Employees whose salaries exceeded the level determined by job evaluation in 2002/ 03				
Percentage of total employment				

*Statistics not available at present but will be included in the next Annual Report

TABLE 4.4 – Profile of employees whose salary level exceed the grade determined by job evaluation, 1 April 2002 to 31 March 2003 (in terms of PSR 1.V.C.3)*

Beneficiaries	African	Asian	Coloured	White	Total
Female					
Male					
Total					
Employees with a disability					

*Statistics not available at present but will be included in the next Annual Report

TABLE 5.1 – Annual turnover rates by salary band for the period 1 April 2002 to 31 March 2003

Salary Band	Number of employees per band as on 1 April 2002	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	13 435	2 130	1 116	8.3
Skilled (Levels 3-5)	15 709	1 617	1 598	10.2
Highly skilled production (Levels 6-8)	17 761	1 374	2 663	15
Highly skilled supervision (Levels 9-12)	2 054	258	725	35.3
Senior Management Service Band A	160	3	13	8.1
Senior Management Service Band B	35	0	0	0
Senior Management Service Band C	4	0	1	25
Senior Management Service Band D				
Total	49 158*	5 382	6 116	12.4

*Please note that the total number of employees indicated above differs from that in Table 3.2 as the two tables reflect different reporting periods.

TABLE 5.2 – Annual turnover rates by critical occupation for the period 1 April 2002 to 31 March 2003

Occupation	Number of employees per occupation as on 1 April 2002	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Medical Practitioners, permanent	596	75	1000	167.8
Medical Practitioners, temporary	824	272	438	53.2
Professional Nurses, permanent	8 520	621	1 196	14
Professional Nurses, temporary	314	58	89	28.3
Radiography, permanent	335	17	61	18.2
Radiography, temporary	8	45	3	37.5
Total	10 597	1 088	2 787	26.3

Table 5.3 – Reasons why staff are leaving the department

Termination Type	Number	% of total
Death	584	9.5
Resignation	3 133	51.2
Expiry of contract	342	4.6
Dismissal – operational changes	83	1.4
Dismissal – misconduct	55	2.9
Dismissal – inefficiency	8	0.9
Discharged due to ill-health	179	0.1
Retirement	558	9.1
Other	1 174	19.2
Total	6 116	100
Total number of employees who left as a % of the total employment		12.4

Table 5.4 – Promotions by critical occupation

Occupation	Employees as at 1 April 2002	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch as within a salary level	Notch progressions as a % of employees by occupation
Medical Practitioners	1 420	48	3.4	30	2.1
Professional Nurses	8 834	98	1.1	4	0
Radiography	343	5	1.5	0	0
Total	10 597	151		34	

Report on Human Resource Management

Table 5.5 – Promotions by salary band

Salary Band	Employees 1 April 2002 level	Promotions to another salary employees by salary	Salary bands promotions as % of level	Progressions to another notch within a salary level	Notch progressions as % of employees by salary band
Lower skilled (Levels 1-2)	13 435	9	0.1	1	0
Skilled (Levels 3-5)	15 709	77	0.5	13	0.1
Highly skilled production (Levels 6-8)	17 761	161	0.9	18	0.1
Highly skilled supervision (Levels 9-12)	2 054	209	10.2	4	0.2
Senior Management	0	18	0	10	0
Senior management (Levels 13-16)	199	0	0	0	0
Other	0	0	0	6	0
Total	*49158	474	1	52	0.1

*Please note the total number of employees indicated above differs from that in Table 3.2 as the two tables reflect different reporting periods. The above table reflects the same reporting period as that indicated in Table 5.1.

6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2003

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials & managers	10	2	6	8	15	1	6	6	54
Professionals	1 871	64	972	530	9 153	380	2 132	1 123	16 225
Technicians and associate professionals	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Clerks	975	41	534	74	1 446	107	405	324	3 906
Service and sales workers	3 099	73	771	76	10 773	404	643	418	16 257
Skilled agriculture and fishery workers	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Craft and related trades workers	124	50	89	180	6	0	0	1	450
Plant and machine operators and assemblers	546	13	112	7	72	6	6	3	765
Elementary occupations	3 541	63	450	122	6 891	164	445	235	11 911
Other	60	4	7	6	203	4	26	6	316
Total	10 226	310	2 941	1 003	28 559	1 066	3 663	2 116	*49 884
Employees with disabilities	19	3	10	3	12	0	3	4	54

*The discrepancy between the total in this Table and the total in Table 3.2 is due to transfers to other functions such as Medvas and Special Functions.

Report on Human Resource Management

6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2003

Occupational bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	2	0	1	0	0	0	0	3
Senior Management	17	0	30	37	5	2	11	8	110
Professionally qualified and experience specialists and mid-management	295	18	484	401	264	24	345	259	2 090
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1 580	99	938	332	10 735	377	1 839	1 152	17 052
Semi-skilled and discretionary decision making	3 177	106	1 112	147	9 055	535	1 071	565	15 768
Unskilled and defined decision making	5 157	85	377	85	8 500	128	397	132	14 861
Total	10 226	310	2 941	1 003	28 559	1 066	3 663	2 116	*49 884

*The discrepancy between the total in this Table and the total in Table 3.2 (49 895) is due to transfers to other functions such as Medvas and Special Functions.

6.3 Recruitment for the period 1 April 2002 to 31 March 2003

Occupational bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management									
Senior Management	0	0	2	1	0	0	0	0	3
Professionally qualified and experienced specialists and mid-management	27	3	57	53	13	3	28	29	213
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	121	5	84	40	549	30	259	134	1 222
Semi-skilled and discretionary decision making	245	11	52	10	1 113	67	192	52	1 742
Unskilled and defined decision making	521	15	42	6	1 498	20	78	22	2 202
Total	914	34	237	110	3 173	120	557	238	5 382
Employees with disabilities	1	0	0	1	1	0	1	1	5

Report on Human Resource Management

6.4 Promotions for the period 1 April 2002 to 31 March 2003

Occupational bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management									
Senior Management	5	0	8	6	0	1	6	2	28
Professionally qualified and experienced specialists and mid-management	36	2	37	23	79	4	27	19	227
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	29	2	18	6	96	7	37	6	201
Semi-skilled and discretionary decision making	23	0	17	0	45	2	9	1	97
Unskilled and defined decision making	7	0	4	0	9	2	3	0	25
Total	100	4	84	35	229	16	82	28	578
Employees with disabilities*									

*Statistics not available at present but will be included in the next annual report

6.5 Terminations for the period 1 April 2002 to 31 March 2003

Occupational bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	1	0	0	0	1
Senior Management	0	0	3	4	2	1	0	0	10
Professionally qualified and experienced specialists and mid-management	81	5	136	146	40	3	99	71	581
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	346	12	248	127	1338	65	324	230	2 690
Semi-skilled and discretionary decision making	276	10	124	65	761	71	148	108	1 563
Unskilled and defined decision making	347	4	86	56	630	20	74	54	1 271
Total	1 050	31	597	398	2 772	160	645	463	6 116
Employees with disabilities	1	0	0	0	2	0	0	0	3

Report on Human Resource Management

6.6 Disciplinary action for the period 1 April 2002 to 31 March 2003

Details	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary action	52	2	56	2	45	2	11	1	171

6.7 Skills development for the period 1 April 2002 to 31 March 2003

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	220	71	207	97	236	44	120	54	1 049
Professionals	1 240	102	267	96	2 351	234	984	273	5 547
Technicians and associate professionals	678	51	212	76	672	215	280	81	2 265
Clerks	954	73	446	60	738	55	252	103	2 681
Service and sales workers	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Skilled agriculture and fishery workers	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Craft and related trades workers	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Plant and machine operators and assemblers	363	21	115	14	168	18	65	10	774
Elementary occupations	2 345	120	360	72	2 616	173	309	59	6 054
Total	5 800	438	1 607	415	6 781	739	2 010	580	18 370
Employees with disabilities*									

*Statistics not available at present but will be included in the next Annual Report

TABLE 7.1 – Performance Rewards by race, gender, and disability, 1 April 2002 to 31 March 2003

Description	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group per employee	Cost (R'000)	Average cost
African					
Male	2	10 207	0	5	2 500
Female	1	28 547	0	4	4 000
Asian					
Male	0	0	0	0	0
Female	0	0	0	0	0
Coloured					
Male	0	0	0	0	0
Female	0	0	0	0	0
White					
Male	0	0	0	0	0
Female	0	0	0	0	0
Employees with a disability	0	0	0	0	0
Total	3	38 754	0	9	3 000

Report on Human Resource Management

TABLE 7.2 – Performance Rewards by salary bands for personnel below Senior Management Service, 1 April 2002 to 31 March 2003

Salary Bands	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee
Lower skilled (Levels 1-2)					
Skilled (Levels 3-5)	1	15 868	0	3	3 000
Highly skilled production (Levels 6-8)	2	17 132	0	6	3 000
Highly skilled supervision (Levels 9-12)	0				
Total	3	33 000	0	9	3 000

TABLE 7.3 – Performance Rewards by critical occupations, 1 April 2002 to 31 March 2003

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee
Other administrative & related clerks and organisers	2	2 863	0.1	5	2 500
Professional nurse	1	8 756	0	4	4 000
Total	3	11 619	0	9	3 000

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	Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within band			
Band A						
Band B						
Band C						
Band D						
Total	0	0	0	0		

TABLE 8.1 – Foreign Workers, 1 April 2002 to 31 March 2003, by salary band

Salary Band	1 April 2002		31 March 2003		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1-2)	9	2.1	6	1.5	-3	7.5
Skilled (Levels 3-5)	23	5.3	25	6.4	2	-5
Highly skilled production (Levels 6-8)	82	18.9	76	19.3	-6	15
Highly skilled supervision (Levels 9-12)	307	70.9	275	70	-32	80
Senior management (Levels 13-16)	6	1.4	8	2	2	-5
Other	6	1.4	3	0.8	-3	7.5
Total	433	100	393	100	-40	100

Report on Human Resource Management

TABLE 8.2 – Foreign Worker, 1 April 2002 to 31 March 2003, by major occupation

Major Occupation	1 April 2002		31 March 2003		Change	
	Number	% of total	Number	% of total	Number	% change
Administrative office workers	5	1.2	5	100	0	0
Craft and related trades workers	7	1.6	7	100	0	0
Elementary occupations	5	1.2	4	80	-1	-0.3
Other occupations	8	1.8	3	37.5	-5	-1.3
Professionals and managers	396	91.5	365	92.2	-31	-7.9
Social natural technical and medical sciences+supp	10	2.3	7	70	-3	-0.8
Technicians and associated professionals	2	0.5	2	100	0	0
Total	433	100	393	90.8	-40	-10.2

TABLE 9.1 – Sick leave, 1 January 2002 to 31 December 2002

Salary Band	Total days	% days with medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Est. Cost (R'000)	Total number of days with medical certification	Total number of employees using sick leave
Not available	4	100	1	0	4	0	4	25 243
Lower skilled (Levels 1-2)	49 229	84.9	6 426	25.5	8	6 028	41 789	25 243
Skilled (Levels 3-5)	62 222	82.3	8 239	32.6	8	10 798	51 215	25 243
Highly skilled production (Levels 6-8)	72 388	79.7	9 841	39	7	21 984	57 659	25 243
Highly skilled supervision (Levels 9-12)	4 189	67.8	710	2.8	6	2 313	2 842	25 243
Senior Management (Levels 13-16)	153	77.8	24	0.1	6	222	119	25 243
Other	11	72.7	2	0	6	1	8	25 243
Total	188 196	81.6	25 243	100	7	41 346	153 636	25 243

TABLE 9.2 – Disability leave (temporary and permanent), 1 January 2002 to 31 December 2002

Salary Band	Total days	% days with medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Est. Cost (R'000)	Total number of days with medical certification	Total number of employees using sick leave
Lower skilled (Levels 1-2)	18 703	99.3	652	26.6	29	2 320	18 577	2 447
Skilled (Levels 3-5)	22 869	99.6	933	38.1	25	4 054	22 774	2 447
Highly skilled production (Levels 6-8)	21 820	99.6	825	33.7	26	6 852	21 731	2 447
Highly skilled supervision (Levels 9-12)	1 103	99.5	34	1.4	32	636	1 097	2 447
Senior management (Levels 13-16)	75	100	1	0	75	106	75	2 447
Other	25	100	2	0.1	13	3	25	2 447
Total	64 595	99.5	2 447	100	26	13 971	64 279	2 447

Report on Human Resource Management

TABLE 9.3 – Annual Leave, 1 January 2002 to 31 December 2002

Salary Bands	Total days taken	Average per employee	Employment
Lower skilled (Levels 1-2)	249 037	22	11 116
Skilled Levels 3-5)	297 707	24	12 217
Highly skilled production (Levels 6-8)	425 706	28	15 402
Highly skilled supervision(Levels 9-12)	35 388	19	1 905
Senior management (Levels 13-16)	1 868	19	99
Other	24	6	4
Not available	12	12	1
Total	1 009 742	25	40 744

TABLE 9.4 – Capped leave, 1 January 2002 to 31 December 2002*

Salary Bands	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employees as at 31 December 2002	Number of employees	Total number of capped leave days available at 31 December 2002	Numbers of employee as at 31 December 2002
Lower skilled (Levels 1-2)	37 409	4	54	8 908	527 363	9 783
Skilled (Levels 3-5)	43 762	5	58	8 908	674 177	11 690
Highly skilled production (Levels 6-8)	77 463	9	82	8 908	1 176 121	14 268
Highly skilled supervision (Levels 9-12)	3 131	0	64	8 908	78 778	1 234
Senior management (Levels 13-16)	222	0	101	8 908	10 218	101
Total	161 987	18	67	8 908	2 466 657	37 076

TABLE 9.5 – Leave payouts for the period 1 April 2002 to 31 March 2003

REASON	Total Amount (R'000)	Number of Employees	Average payment per employee
Leave payout for 2002/03 due to non-utilisation of leave for the previous cycle	934	349	2 676
Capped leave payouts on termination of service for 2002/03	32 577	1 370	23 779
Current leave payout on termination of service for 2002/03	2 908	1 067	2 725
Total	36 419	2 786	13 072

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
Doctors – all categories Nurses – all categories General Assistants Housekeeping personnel Laundry personnel Grounds personnel Laboratory personnel Phlebotomists	<ul style="list-style-type: none"> • Universal precautions are to be taken by all employees • Proper disposal of sharps, contaminated instruments, all body and post mortem specimens • Provision of education and training to all personnel • Provision of safety equipment ie gloves, goggles, etc

Report on Human Resource Management

TABLE 10.2 – Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.			Managed by Ms K Naidoo Clinical Psychologist (Level 11)
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	Yes		Dr Bagwandeem (HIV/AIDS) Ms K Naidoo (EAP) Mr C Mabaso (Occupational Health)
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	Yes, at Head Office and at institutional level		The EAP is a worksite-based programme designed to assist in the early identification and resolution of productivity problems associated with employees impaired by personal concerns which may adversely affect employee performance. The EAP: <ul style="list-style-type: none"> • Facilitates lifestyle change and wellness promotion in the context of improved productivity and performance • Provides simple, quick access to help and information • Assists with attracting, motivating and retaining the best people • Incorporates assistance on a broad range of issues • Meets the specific changes facing the organisation, country and the economy • Evaluates itself and adds value to the organisation
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.			This is part of the portfolio of the EAP (see Question 3 above).
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.			Under review by EAP
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.			Under review by EAP
7. Does the department encourage its employees to undergo Voluntary Counseling and Testing? If so, list the results that you have achieved.	Yes		Results confidential
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	No		

TABLE 11.1 – Collective agreements, 1 April 2002 to 31 March 2003

Total collective agreements	None*
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* Collective agreements are negotiated at national level.



TABLE 11.2 – Misconduct and disciplinary hearings finalised, 1 April 2002 to 31 March 2003

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	45	19.7
Verbal warning	3	1.3
Written warning	29	12.7
Final written warning	62	27.2
Suspended without pay	21	9.2
Fine	0	
Demotion	4	1.8
Dismissal	40	17.5
Not guilty	11	4.8
Case withdrawn	13	5.7
Total	228	100.0

TABLE 11.3 – Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	% of total
Theft	39	22.80
Fraud	27	15.79
Absent without leave	44	25.73
Insubordination	20	11.70
Alcohol abuse	20	11.70
Moonlighting	3	1.75
Vehicle abuse	5	2.92
Assault	7	4.13
Negligence	6	3.51
Total	171	100

TABLE 11.4 – Grievances lodged for the period 1 April 2002 to 31 March 2003

	Number	% of total
Number of grievances resolved	20	50
Number of grievances not resolved	20	50
Total number of grievances lodged	40	100

TABLE 11.5 – Disputes lodged with Councils for the period 1 April 2002 to 31 March 2003

	Number	% of total
Number of disputes upheld	6	25
Number of disputes dismissed	18	75
Total number of disputes lodged	24	100

TABLE 11.6 – Strike actions for the period 1 April 2002 to 31 March 2003

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

Report on Human Resource Management

TABLE 11.7 – Precautionary suspensions for the period 1 April 2002 to 31 March 2003

Number of people suspended	21
Number of people whose suspension exceeded 30 days	18
Average number of days suspended	0
Cost (R'000) of suspensions	0

12.1 Training needs identified 1 April 2002 to 31 March 2003

Occupational Categories	Gender	Number of employees as at 1 April 2003	Training needs identified at start of reporting period			Total
			Learnerships	Skills Programmes & other short courses	Other forms of training	
Legislators, senior officials and managers	Female	242		454		454
	Male	202		595		595
Professionals	Female	10 991		3 842		3 842
	Male	3 029		1 705		1 705
Technicians and associate professionals	Female	13 533	(Pharmacy Asst) 89	1 248		1 337
	Male	2 627	(Pharmacy Asst) 90	1 017		1 107
Clerks	Female	2 367		1 148		1 148
	Male	2 158		1 533		1 533
Service and sales workers	Female	n/a	n/a	n/a		
	Male	n/a	n/a	n/a		
Skilled agriculture and fishery workers	Female	n/a	n/a	n/a		
	Male	n/a	n/a	n/a		
Craft and related trades workers	Female	n/a	n/a	n/a		
	Male	n/a	n/a	n/a		
Plant and machine operators and assemblers	Female	393		261		261
	Male	1 068		513		513
Elementary occupations	Female	7 346		3 157		3 157
	Male	5 852		2 897		2 897
Sub Total	Female	34 872	89	10 110		10 199
	Male	14 936	90	8 260		8 350
Total		*49 808	179	18 370		18 549

*Please note that this figure differs from the total in Tables 5.1 and Table 5.5 because the tables cover different reporting periods.

Report on Human Resource Management

12.2 Training provided 1 April 2002 to 31 March 2003

Occupational Categories	Gender	Number of employees as at 1 April 2003	Training provided within the reporting period			Total
			Learnerships	Skills Programmes & other short courses	Other forms of training	
Legislators, senior officials and managers	Female	242	n/a	784		784
	Male	202	n/a	476		476
Professionals	Female	10 991	n/a	3 490		3 490
	Male	3 029	n/a	1 170		1 170
Technicians and associate professionals	Female	13 533	(Pharmacy Asst) 29	820		849
	Male	2 627	(Pharmacy Asst) 33	733		766
Clerks	Female	2 367		1 471		1 471
	Male	2 158		966		966
Service and sales workers	Female	n/a	n/a	n/a	n/a	n/a
	Male	n/a	n/a	n/a	n/a	n/a
Skilled agriculture and fishery workers	Female	n/a	n/a	n/a	n/a	n/a
	Male	n/a	n/a	n/a	n/a	n/a
Craft and related trades workers	Female	n/a	n/a	n/a	n/a	n/a
	Male	n/a	n/a	n/a	n/a	n/a
Plant and machine operators and assemblers	Female	393	n/a	730	n/a	730
	Male	1 068	n/a	752	n/a	752
Elementary occupations	Female	7 346	n/a	1 057	n/a	1 057
	Male	5 852	n/a	1 092	n/a	1 092
SubTotal	Female	34 872	29	8 352	n/a	8 381
	Male	14 936	33	5 189	n/a	5 222
Total		*49 808	62	13 541		13 603

*Please note that this figure differs from the total in Tables 5.1 and Table 5.5 because the tables cover different reporting periods.

TABLE 13.1 – Injury on duty, 1 April 2002 to 31 March 2003

Nature of injury on duty	Number	% of total
Required basic medical attention only	960	100
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	960	100

PART 5:

Report of the Audit Committee

We are pleased to present our report for the financial year ended 31 March 2003.

Audit Committee Members and Attendance

The audit committee consists of the members listed hereunder and met 4 times as per its approved terms of reference.

Name of Member	Number of Meetings Attended
JMT Edwards	4
BP Campbell	4
BS Khuzwayo	4
R Morar	4
DSD Shabalala	3
RW Green-Thompson	1
RK Sizani	1

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 38(1)(a) of the PFMA and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The effectiveness of internal control

Our review revealed that the department has implemented sound systems of internal control for major areas of its operations. Fundamental weaknesses in such systems of internal control that were identified by Internal Audit have been raised with the Department of Health.

The committee has only reviewed the design of the systems of internal control as implemented by management. The effective operation of such systems will be the focus of the committee in the 2003/2004 financial period.

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

The Committee cannot at this stage comment on the content and quality of monthly and quarterly reports prepared and issued by the Accounting Officer and the Department during the year under review.

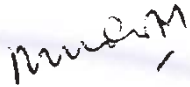
Evaluation of Financial Statements

The Audit Committee has

- Reviewed the audited annual financial statements to be included in the annual report;
- Taken into consideration the Auditor-General's management letter and management response;

- Reviewed changes in accounting policies and practices;
- Reviewed significant adjustments resulting from the audit.

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



Chairperson of the Audit Committee

Date: 5-8-2003

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MANAGEMENT REPORT for the year ended 31 March 2003

1. GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS

Under/(Over) Spending

Programme	Voted Funds	Actual Expenditure	Under/(Over) Expenditure
	R'000	R'000	R'000
1. Administration	144,677	143,289	1,388
2. District Health Services	3,825,571	3,819,179	6,392
3. Provincial Hospital Services	1,917,836	2,027,813	(109,977)
4. Central Health Services	928,687	976,049	(47,362)
5. Health Sciences	198,811	199,655	(844)
6. Auxiliary & Associated Services	403,598	329,010	74,588
Special Functions	0	39,797	(39,797)
Statutory Payment	526	577	(51)
Total	7,419,706	7,535,369	(115,663)

Administration

The under expenditure represents 0.97% of the allocation to this Programme and is mainly due to the intentional delay in the filling of essential posts to curtail expenditure. The Department has been able to maintain expenditure for the Head Office functions over the past financial years below 2% of the total budget.

District Health Services

The Department is in the process of implementing a policy to ensure that hospitals allocate expenditure to the different service delivery functions undertaken by that particular hospital. The budgetary shift of this policy is relatively easy and has been undertaken based on available patient data. The actual expenditure split of transactions is, however, dependent on the correct allocation codes being applied by staff when payments are made. In the Budget for 2002/03 the funds allocated for the Prevention of Mother To Child Transmission of HIV/AIDS (PMTCT) are in Programme 2: District Health Services. The expenditure has, however, taken place at District and Regional hospitals (Programme 3: Provincial

Hospital Services) as general expenditure. Apart from the known direct expenditure of the programme (i.e. laboratory tests, specific staff and specific medicine), a substantial portion of the expenditure needs to be journalised to the correct objectives by the hospitals involved. The PMTCT programme was a new function and phased in during the year and all the general expenditure was not journalised in time for the closure of the accounting records. This resulted in the objective for HIV/AIDS being understated by some R24,5 million and the Hospital objectives (especially programme 3) being overstated by the same amount.

Furthermore, the Strategic Positioning Statement of the Department has reclassified beds in Regional hospitals (Programme 3) to clearly identify the District beds (Programme 2) within the Regional Hospital. The Budget was allocated in terms of this policy but again the actual allocation of expenditure to the correct objective has not been journalised. This resulted in an overstatement of the regional hospital objective (Programme 3) and an understatement of the district hospital objective of some R20 million.

MANAGEMENT REPORT for the year ended 31 March 2003

Taking this into account the Programme: District Health Services should have reflected an over expenditure of some R30 million caused by-

- the early delivery of vehicles for the conversion into ambulances of R14,4 million), by the Department of Transport ; and
- the increase in the demand for health services resulting from poverty and HIV/AIDS.

Provincial Hospital Services

Taking into account the comments under Programme: District Health Services, the over expenditure under this Programme is overstated by some R37 million. This resulted in a net over expenditure of R72 million, which is mainly due to:

- the increase in the demand for health services resulting from poverty and HIV/AIDS ;
- the effect of the foreign exchange rates on health services and especially in regard to equipment, surgical sundries and medicine; and
- the delay in the start date of the commissioning of the Inkosi Albert Luthuli Central Hospital.

Central Health Services

The over expenditure is mainly due to services still being carried out at the current hospitals whilst the Inkosi Albert Luthuli Central Hospital was being commissioned, resulting in additional expenditure. The hospital will be fully functional during the 2003/04 financial year, and a similar situation is not expected, as the final commissioning date is 31 August 2003. The unfavourable exchange rate had a major effect on the PPP contract adding to the pressure on the budget for this programme.

Health Sciences

The slight over expenditure resulted from the increase in the student nurse intake to combat the high attrition rate in this profession.

Auxiliary & Associated Services

The under expenditure under this Programme resulted from-

- a delay in the adjudication of tenders for maintenance and works due to procedural changes in the procurement process;
- the provision of R8 million for the medicine store capital account not being approved by the Treasury by the end of the financial year; and
- enforced savings by delaying projects in an effort to minimize over expenditure.

Special Functions

The amount stated under this heading refers to three specific items namely:

- Authorised losses amounting to R545 000 refers to vehicle accidents & losses, loss of property and damages to property. The amount involved is regarded as within the norms of a big organisation such as the Department of Health.
- A special exercise was carried out on the debts owing by ex-employees resulting in a write off of R5,908 million. These debts were older than three years, no documentation was available on file and the persons could not be traced. The Department inherited these debts from Treasury when this function was devolved to Departments. After careful consideration it was decided that it would be uneconomical to invest further funds to recover these debts.
- A special suspense account was used for the payments for nutrition services dating back to 1993/4. The system was based on an advance to the "supplier" who must then afterwards provide the necessary documentation required for the movement of these funds from the suspense account to expenditure. During the amalgamation of the various departments in 1994/5, the Department inherited this payment system from the

MANAGEMENT REPORT for the year ended 31 March 2003

Department of National Health. Without the necessary documentation the amount remained on the suspense account. The Department was able to reduce the original R132,262 million to R42,411 million in 2002/03 by investigations, forensic audits and the collection of documentation from the suppliers. The documentation for the balance is not available and the Department has started a process to clear the suspense account. During the year R33,344 million was identified and the Department was satisfied that the amount involved was used for the correct purposes and the services were in fact rendered. The outstanding balance of R9,067 million will be cleared in the next financial year.

Statutory Payment

The apparent over expenditure refers to the salary increases granted to the executive authorities but not voted for as part of the statutory payments in the Adjustments Estimate. The department funded this over expenditure.

General Comment

At the time the 2002/03 Budget Statements were compiled, the Department of Health estimated that there would be a shortfall of some R500 million for the financial year under consideration. However, owing to various external factors, it became apparent by the beginning of the year that the shortfall would be closer to R722,234 million.

The main reasons for the anticipated shortfall of R722,234 million were as follows:

- An over-expenditure of R289,234 million in 2001/02, due to inadequate funding for the cholera crisis, the foreign exchange rate and additional expenditure for the Inkosi Albert Luthuli Central Hospital;
- The unfunded mandate for the implementation of the PMTCT programme, and post-exposure prophylaxis (PEP) for rape survivors – R126 million;

- The effect of inflation as well as the foreign exchange rate for the current financial year on the PPP agreement for the Inkosi Albert Luthuli Central Hospital, as well as imported medicines, special plant and medical equipment – R186 million; and
- The dual funding required to run the services at Wentworth, King Edward and Inkosi Albert Luthuli Central Hospitals as a result of the late commissioning of the latter – R121 million. Additional funds, excluding those for the additional salary increases (R98,069 million) and the transfer of functions from other departments (R3,676 million), amounting to R322 million were provided in the 2002/03 Adjustments Estimate, leaving a shortfall of R400 million. Of this shortfall R289,234 million is for the over-expenditure of 2001/02 to be paid back to Provincial Treasury in 2003/04 and 2004/05. This left an estimated deficit of R111 million compared to the actual deficit of R115,522 million.

Changes in policies and strategic objectives

During the financial year the Department continued with its primary function to provide comprehensive and quality Health Services at all levels of care to the population of KwaZulu-Natal in terms of policies introduced since 1995, which included:

- the implementation of primary health care through the district health system;
- the continuation of the drive in respect of the management of HIV/AIDS;
- the provision of an integrated Nutrition scheme;
- the immunisation of all new born babies and children; and
- the drive to provide facilities in the underserved areas to improve access to health services.

Before the start of the financial year but after the approval of the budget the executive council of

MANAGEMENT REPORT for the year ended 31 March 2003

the Province (Provincial Cabinet) resolved that the programme for the prevention of the transmission of HIV/AIDS from Mother-to-Child, be implemented and rolled out throughout the Province. This new policy was implemented and funds totalling R121 million were provided in the Adjustments Estimate. During the year a decision was also taken to provide for the prophylactic use of anti-retrovirals for rape survivors for whom the Department received a conditional grant of R12 million in the Adjustments Estimate.

Impact on Service Delivery

Despite the above restraints during 2002/03, the department managed to continue to provide basic services in the underserved rural areas through the primary health care approach. The main aim in this regard is to provide 2.8 head counts per non-medical aid member, i.e. approximately 21 million headcounts per annum. Figures at the clinics and community health centres continue to show a steady increase, numbering 12,773 million, 13,041 million, 16,313 million and 17,139 million for the 1999/2000 to the 2002/03 financial years, respectively.

In addition, the Department continued to phase in new clinics in the rural areas. It is anticipated that a further six new clinics and seven replacement clinics will be completed in the 2003/04 financial year, bringing the total number of new and replacement clinics since 1996/97 to 145. Furthermore, two community health centres are under construction, one at Nseleni, which is being built and equipped by Japanese Government funding and is scheduled for completion in March 2003, and the second at Paulpietersburg, funded by the Department, which should be completed by July 2003.

The Department is however required to expand its services in the underserved areas and were unable to do this to the fullest extent. This mainly refers to the eradication of backlogs and the

provision of emergency medical services in the underserved areas. The increase in demand for Health Services resulting from the HIV/AIDS pandemic has a major effect on the cost of treating patients as patients are returning for treatment continuously and in-patient stays are prolonged. A further effect on the available funds for service delivery is the increase in deaths resulting from opportunistic diseases caused by HIV/AIDS affecting the hospitals budgets for pauper burials.

Major projects undertaken

Major projects undertaken by the Department in regard to service delivery during the year was the roll out of the PMTCT and PEP programmes, which required the establishment of a special unit and an infrastructure for the provision of the services. The roll out of these services will continue during the 2003/04 financial year and should be available at all health institutions by the end of December 2003. With the assistance of a grant from the Japanese government amounting to R86 million, the Department was able to construct a Community Health Centre at Nseleni and the provision of equipment to a number of hospitals in the Uthungulu District.

Misallocations

On reviewing the financial records for the Department it was noted that expenditure has been misallocated between the current and capital objectives e.g. blood coded as capital and computer equipment coded as current. This error occurs at the time of completing the payment forms when expenditure is incurred. This was only identified at the time of preparing the annual financial statements and therefore too late to correct as the books of account had been closed. The payments are valid and authorised because prior to placing the order checks would have been completed to ensure that the budget was available. In the new financial year this will be investigated and procedures put in place so that this situation does not recur.

MANAGEMENT REPORT for the year ended 31 March 2003

2. Services rendered by the Department

2.1 Tariff Policy

The main source of revenue of the Department is patient fees, which is now based on the Uniform Patient Fee Schedule as prescribed by National Department of Health. This fee structure has been updated on 1 November 2002 and will in future be adjusted as and when the National decision on the extent of the adjustments are taken by the joint committee comprising the National and Provincial Departments of Health.

2.2 Free Services

Apart from the National policies regarding free services to certain categories of patients, e.g. pregnant women and children under five, certain communicable diseases, the aged and persons with disabilities, there are no free services rendered by the Department.

3. Capacity constraints

Although the Department has dedicated and loyal staff to provide health services it has found that many areas of its services are inadequately staffed and that in some cases, despite repeated recruitment, it is unable to attract skilled and suitable personnel. The most disturbing areas are:

- the losses in nursing and other professional staff;
- the lack of incentives for the recruitment of professional and managerial staff in remote areas; and
- the recruitment of skilled financial management staff, especially in rural hospitals.

In regard to the nursing staff the Department has undertaken a special training drive by doubling the student nurse intake. To ensure a supply of suitable doctors, bursaries are granted and

students are nominated for studies in Cuba. Special training programmes are being implemented to enhance managerial and financial capacity. In certain areas the lack of capacity may have serious impact on service delivery and financial management.

4. Utilisation of donor funds

During the financial year under review donor funds, the Department received both local and foreign aid totalling R1,035 million. Expenditure totalling R 1,646 million was incurred against these projects. The net over expenditure is recoverable from the Department of National Health who is administering the majority of the donor funds. In addition the Department has received a donation in kind to the value of approximately R86 million from the Japanese government for the construction of a community health centre and the provision of equipment to certain hospitals in the Uthungulu District.

A number of small donations, R5,7 million, were received which are managed in terms of approved management plans. Because the funds are in most cases additional to budget the benefit of these funds to the Department is that it enables the Department to undertake special tasks and investigations, which would under normal circumstances, not be undertaken. Donor funds are normally for fixed periods and can therefore not be utilised for any major enhancement of service delivery.

5. Trading entities

The only trading activity for the Department of Health is the Provincial Medical Supply Centre. This entity purchases pharmaceuticals from the suppliers and these are then distributed to the various institutions as requested. The pharmaceuticals are charged at actual cost plus a mark-up of 6% to cover the administrative costs.

MANAGEMENT REPORT for the year ended 31 March 2003

6. Other organisations to whom transfer payments have been made

Transfer payments are made to various institutions and groups by the Department of Health. These institutions and groups are categorised as follows:

- Subsidised Hospitals providing hospital care
- School Governing Bodies for nutrition services
- Service organisations and churches providing clinic services
- Local Authorities for primary health care services
- Service organisations for HIV/AIDS campaigns.

Refer to annexure 3 for a detailed schedule of transfer payments made during the year. Accountability arrangements are being instituted over each entity.

7. Public private partnership

The public private partnership between the Department of Health and Impilo Consortium for the Inkosi Albert Luthuli Central Hospital commenced on 4 February 2002. The total value of the 15-year partnership is R4,5 billion at the date of signature of the agreement. This agreement will enable the Department to deliver clinical services and promote the Hospital as a Central and Tertiary Hospital operating at the highest standards of quality, efficiency, effectiveness and patient focussed care. The Department is responsible for all clinical services and the Impilo Consortium for all the equipment, the Information Technology and the hard and soft facilities management. During the year under review the commissioning of the hospital in various phases was undertaken and the final date for full commissioning is 31 August 2003.

8. Corporate governance arrangements

8.1 Risk management

In consultation with the Provincial Treasury's Internal Audit Unit the Department's Audit and Risk Management component has drawn up a risk management document/policy in accordance with the Provincial Risk Management Guidelines.

The Department's Risk Management policy/document will be rolled out in the form of risk management workshops that will be held at the institutions with the individual institutional managers being involved in the identification and mitigation of risks.

8.2 Fraud prevention plan

The Department has developed a fraud prevention plan, which is currently operational and will work closely with the Provincial Treasury's Internal Audit component.

8.3 Effectiveness of Internal Audit and Audit Committees

Internal Audit and Audit Committee's in this Province has been centralised in the Provincial Treasury. This Department's Internal Audit Component presently handles all management letters from the Auditor-General as well as audit reports from the Provincial Treasury's Internal audit Unit as well as all inspection reports from the Departments Internal Control Division.

The findings from the aforementioned reports are perused and the relevant responses compiled on behalf of the Head of the Department. On receipt of the reports the managers of the audited entities are requested to present themselves to the Departmental Audit and Risk Assessment Committee (DIARAC) where the report is discussed and the relevant manager is given an opportunity to present his/her action plan on the reduction/mitigation of the identified risks.

MANAGEMENT REPORT for the year ended 31 March 2003

The DIARAC also monitors the implementation process of the corrective measures at the audited entity. The Audit and Risk Management Component facilitates the monitoring by undertaking physical follow-ups at the audited entities.

9. Progress with financial management improvements

The Department, in its financial management improvement programme has continued with various programmes initiated in 2001/02 to enhance financial management and financial capacity within its institutions. Although significant progress has been made to delegate functions to institutional level the Department still experiences problems in attracting appropriately skilled staff in financial management to its institutions. The Department is however convinced that the decentralisation route chosen is the correct one. Financial control over budgets has improved dramatically as most institutions are able to manage their finances monthly using the cash flow basis.

The Department has in place a participatory budgeting process involving all its institutions and service delivery components, which results in a more credible budgeting process based on actual requirements of the various districts.

The Department has finalised its procurement delegations to ensure efficiency in procurement and is in the process of rolling out these delegations to all its institutions. A major revision of the financial management delegations is being undertaken and will be finalised in the 2003/4 financial year.

The Department has finalised the organisational structures of its hospital managements and has already filled, with the exception of two hospitals, all hospital manager, nursing manager and most medical manager posts. Presently the Department is in the process of filling the financial manager,

systems manager, and human resource manager posts at its institutions. Once these posts are appropriately filled the control over finances, the human resource utilisation and the assets management will improve considerably.

10. Performance information

The Department in its Budget Statement for 2002/03 has set targets to measure its performance on the various programmes representing its functions. It has put in place systems to collect the data in order to measure the targets. In most cases the information is available but in some programmes the Department experiences problems in obtaining the information due to inadequate systems. Listed below are the estimated actual outputs for the year compared to the budget targets as per the Budget Statement.

District Health Services

- Primary Health Care facilities treated an estimated 17,139 million cases whilst the target set for the year was 14 million.
- Emergency Medical Rescue Services dealt with an estimated 400 173 cases whilst the target set for the year was 392 000 cases.
- District Hospitals provided for an estimated 2,233 million in-patient days against a target of 2,5 million in-patient days. (The District Hospitals estimate excludes the TB count, whilst the target includes the TB patient-days.)

Provincial Hospital Services

- Regional Hospitals provided for an estimated 2,340 million in-patient days against a target of 2,025 million in-patient days. (The estimated figures still include some district category patients as well as TB patients, who should be counted in future under the correct categories.)

MANAGEMENT REPORT for the year ended 31 March 2003

Central Hospital Services

- Central and Tertiary Hospitals Services provided for an estimated 681 439 in-patient days against a target of 650 000 in-patient days.
- Central Dental Services provided oral hygiene services for an estimated 44 461 persons against a target of 45 000 persons.

Health Sciences

- The various training functions undertaken by the Department has provided training for an estimated 6 135 students whilst the target set was 6 785 students.
- Bursaries were granted to 618 students against the target of 540 students. (450 direct bursaries and 90 on the Cuban programme)

11. Other

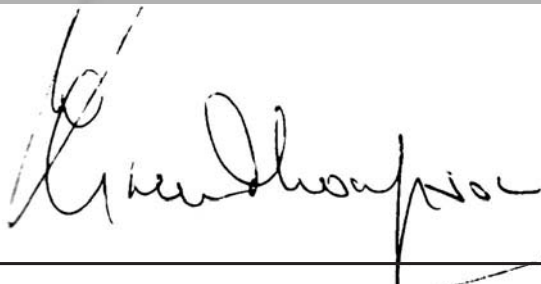
As stated in the Department's strategic plans, the budget statements and various other documents, the Department is finding it increasingly difficult to provide for the demand for health services within the budget allocated. There are major backlogs in facilities and services in major portions of the Province, which cannot be accommodated

within the allocated funds. It also finds it extremely difficult to maintain present facilities and services at acceptable standards. The result is that urgent work is often required at a higher cost and that patients not treated adequately are eventually returning to hospitals with complications, placing further pressure on the budget. The Department is further experiencing major problems in staffing its hospitals appropriately due to the loss of professionals to foreign countries and the private sector due to inadequate salaries. It will be noted that despite the increase the budgetary provision for personnel the actual number of persons employed has declined resulting, together with the increased demand, in pressure on existing staff to forfeit leave and work overtime.

12. Events subsequent to the accounting date

There are no material events subsequent to the accounting date to the date of approval of the financial statements.

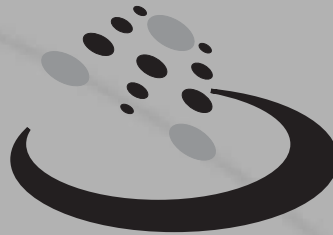
The annual financial statements set out on pages 118 to 161 and 164 to 181 is hereby approved by the Accounting Officer of the Department of Health: KwaZulu-Natal.



PROFESSOR R.W. GREEN-THOMPSON
ACCOUNTING OFFICER - DEPARTMENT OF HEALTH
30 May 2003

PART 6: Report of the Auditor-General

**REPORT OF THE AUDITOR-GENERAL TO MEMBERS OF THE KWAZULU-NATAL
PROVINCIAL LEGISLATURE ON THE FINANCIAL STATEMENTS OF
VOTE 7 - DEPARTMENT OF HEALTH
FOR THE YEAR ENDED 31 MARCH 2003**



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

**REPORT OF THE AUDITOR-GENERAL TO MEMBERS OF THE KWAZULU-NATAL
PROVINCIAL LEGISLATURE ON THE FINANCIAL STATEMENTS OF
VOTE 7 - DEPARTMENT OF HEALTH
FOR THE YEAR ENDED 31 MARCH 2003**

1. AUDIT ASSIGNMENT

The financial statements of the Department of Health, as set out on pages 118 to 161, as well as the financial statements in respect of the Provincial Medical Supply Centre trading entity, as set out on pages 164 to 181, for the year ended 31 March 2003, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 3 and 5 of the Auditor-General Act, 1995 (Act No. 12 of 1995). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

2. NATURE AND SCOPE

The audit was conducted in accordance with Statements of South African Auditing Standards. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

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

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

3. AUDIT OPINION

In my opinion, the financial statements fairly present, in all material respects, the financial

position of the Department of Health at 31 March 2003 and the results of its operations and cash flows for the year then ended, in accordance with prescribed accounting practice.

4. EMPHASIS OF MATTER

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

4.1 Matters affecting the financial statements

4.1.1 Housing guarantees

An audit of housing guarantees revealed that in 49% of the cases subjected to audit, the guarantees could not be traced to the housing guarantee report (Report 4.8.19(4)), which lists all the housing guarantees for the department. The housing guarantee amount, as disclosed in the financial statements, is derived from the aforesaid report. Consequently, housing guarantees amounting to R52 241 000, as disclosed in note 26 to the financial statements, is understated by at least R736 013. In this regard, an understatement of R564 633 was included in the prior year's audit report. Furthermore, an audit of an additional sample of housing guarantee files revealed that 56% of the files could not be located.

During the discussion of this report, the department gave assurances to this office that an action plan would be implemented to ensure the integrity of the entire population during the current financial year. Furthermore, that the 49% of the cases of the guarantees, which could not be traced to the housing guarantee report, as well as the 56% of the files, which could not be located, would be rectified before 30 July 2003. This will be verified by this office once notification is given that the necessary actions have been undertaken. In addition, the department has indicated that it has suffered no known losses, as a result of the aforementioned deficiencies.

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4.1.2 Contingent liability

Although, an amount of R14 026 000 is reflected in the accounts of the Department of Works, as owing by the Department of Health, this amount does not appear in the financial statements of the latter department.

During the discussion of this report, the department indicated that it disputes the liability for the stated amount, as the Department of Works proceeded with the:

(a) payment of approximately R9million to the principal consultants for the Inkosi Albert Luthuli Central Hospital during 2000-2001, despite being advised that an overpayment calculated by the Department of National Health, was already made to the consultants. This resulted in the National Department not releasing the funds to the Department of Health, and

(b) payment of R5,78million to the contractor of the Inkosi Albert Luthuli Central Hospital, representing the retention funds, despite a letter from the Department of Health not to release the retention funds, as there were still major problems, which the contractor did not address.

4.1.3 Provincial treasury balance – Provincial Medical Supply Centre

The Provincial Medical Supply Centre's (PMSC) financial statements reflected the Provincial Treasury balance as R16 491 903. However, according to the reconciliation provided by Provincial Treasury to this office, the balance should be R6 558 198. The difference of R9 933 705 is material to the PMSC financial statements. At the date of this report, this matter had not been satisfactorily explained/resolved.

4.2 Matters not affecting the financial statements

**4.2.1 Unauthorised expenditure:
R174 525 104,39**

As disclosed in note 14 to the financial statements, a total amount of R174 525 104,39 was overspent

on Programmes 3, 4, 5, and 6, during the year under review. This amount together with the unauthorised expenditure of R515 431 000,00 relating to the prior financial years, still awaits/requires the approval of the Provincial Legislature.

4.2.2 Non-compliance with laws and regulations

(a) Salary notch adjustments

The Department of Health (department) took a decision to translate virtually all of its employees to the third notch of their respective salary levels, backdated to 1 July 1999. A request was submitted to National Treasury by the Office of the Premier, on behalf of the department, for the implementation of this translation. In order to make an informed decision, National Treasury requested the Department of Public Service and Administration's advice on the matter. The Department of Public Service and Administration indicated that the accounting officer should reconsider the decision to award the adjustments, or at least motivate the request, and furthermore, for officials to be awarded second and third notches, the administration's guidelines should be utilised. The accounting officer responded by stating that in recognition of the outstanding achievements and hard work by the staff, and to recruit and retain staff, it was decided to invoke the provisions of Part V/A2 of the Public Service Regulations.

Whilst the Department of Public Service and Administration was still finalising an appropriate response, the Department of Health went ahead with the adjustments on 1 July 2001, backdated to 1 July 1999. The Minister of the Department of Public Service and Administration, in a letter dated 13 November 2001, advised the Minister of the Department of Health that the adjustments were regarded as overpayments and therefore, the department must utilise section 38 of the Public Service Act, 1994 (Proclamation No. 103 of 1994) to recover the overpayments. The Minister of

**REPORT OF THE AUDITOR-GENERAL TO MEMBERS OF THE KWAZULU-NATAL
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Department of Public Service and Administration further advised that since the department had already implemented the higher salaries and that the rectification thereof may be perceived as harsh and may have labour relations implications, advised that a less harsh approach could be the rectification of the salary positions as of a current date. The Premier of the Province responded to the Minister of the Department of Public Service and Administration confirming Cabinet's decision to support the notch adjustments in the department.

Once again, the Minister reiterated the Department of Public Service and Administration's position in a letter dated 21 November 2002, to the Premier, that the decision to award notch adjustments was inappropriate and did not comply with the Public Service legislative framework, and that this decision could create a precedent that would have serious implications for the Public Service. The department has submitted the following response received on 29 July 2003 with regard to the above-mentioned matter:

"In this regard, a meeting was convened on 30 January 2003 with officials from the Department of Public Service and Administration and the Department of Health to agree on the procedures and processes that would need to be followed to legitimise the notch adjustments granted to officials. It was then agreed that Personal Profile Questionnaires were to be completed for all officials who qualified and that concluding these assessments in respect of all staff concerned would legitimise the process.

To this end, the Department issued Human Resource Management Circular No 16 of 2003 dated 5 March 2003, which detailed the respective procedures and processes that needed to be followed by all institutions in the assessment of all staff. Further, on 14 March 2003 a workshop was also conducted with all institutional Human Resource Management staff and management in the Department to ensure that all assessments be finalised by 31 March 2003.

All staff that qualified for the notch adjustments have since been assessed and the Department has finalised the verification and evaluation of 98,99% of the 30 800 cases which was originally estimated as the population that needed to be assessed. Further, the exercise relative to the overpayments has been undertaken and completed, and the total amounts overpaid to staff whose salaries were reduced from the third (3rd) notch to the second (2nd) or to the first (1st) notches for the assessment period of 1 July 1999 to 30 June 2001 has been determined. In addition to the above measures, the Department is in the process of consolidating the total amount overpaid and once finalised, the matter will be referred to the KwaZulu-Natal Provincial Treasury for authority to write-off of such amounts.

In view of the aforementioned and the concerns expressed by the Honourable Minister of Public Service and Administration, it should be noted that the Department has satisfied all requests made by the Honourable Minister."

(b) Consultants

(i) The department did not comply with the KwaZulu-Natal Tender Board Act, 1997 (Act No. 4 of 1997) and its own Procurement Policy and Procedures, when procuring the services of consultants for the period prior to 1 July 2002, at a total cost of R3 037 069. The extent of the non-compliance is summarised hereunder:

- The Procurement administration section was not requested to invite tenders for all cases falling within the levels 3 and 4 delegations of the Tender Board regulations.
- Particulars of the tender requirements were not advertised in the provincial gazette and the local newspapers.
- All level 4 cases were not considered and accepted within the policy and directives of the Provincial Tender Board.

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- The requirements of delegation 0414 (i-xiv) were not adhered to, in all the cases.
- The Tender Award Committee did not consider any tenders relating to the procurement of services.
- Suitable documentary evidence was not maintained for each case, for example, copies of submissions to committees, minutes of decisions made, and letters of acceptance.
- No proof of reasonableness of prices, where only one tender was received, was maintained.
- Payments made in terms of level 3 delegations were not advertised and processed by the department's logistics section.

(ii) Similarly, the department did not comply with the KwaZulu-Natal Procurement Act, 2001 (Act No. 3 of 2001) and the Procurement Delegations, when procuring the services of consultants for the period 1 July 2002 onwards, at a total cost of R6 187 907. The extent of the non-compliance is summarised hereunder:

- The Procurement administration section did not invite and award tenders for the procurement of supplies or services, in all cases.
- Particulars of the tender requirements were not advertised in the provincial gazette and the local newspapers, and tenders were not delivered to the Procurement administration's office.
- No tenders were scheduled and brought to a comparative basis and submitted (by the Tender Evaluation Committee), together with a motivated recommendation through the department's Tender Award Committee, to the Central Procurement Committee for approval.
- The Tender Award Committee did not deal with the award of contracts.
- The award of contracts was not advertised in the provincial gazette.

- The signing of acceptance after approval was not granted by the Central Procurement Committee for the acceptance of tenders.

In response to the matters mentioned in the paragraphs 4.2.2(b)(i) and (ii) above, the department has indicated that the consultants were appointed in terms of delegation 0312 of the "Department of Health General Delegations of Authority". This delegation states, inter alia, that the Superintendent-General may authorise the appointment of consultants on a time basis to enable urgent investigations or designs to be carried out and reported on in cases where these cannot be performed departmentally. The department further stated that the work performed by the consultants had been verified, and that it was satisfied that value for money was received, in terms of the services, which were rendered. The department also stated that the consultants were specialists in their respective fields and were contracted to undertake tasks and projects of a specialised and exceptional nature, which included the drafting of legal documents, contracts and legislation such as the health regulations, as well as to serve on commissions of enquiry and to undertake investigations into matters in the department.

The department has undertaken to review the process relating to the procurement and appointment of consultants without compromising/jeopardising the value to be gained and the prompt expedition of the tasks/projects.

Notwithstanding the response from the department, this office is not in agreement that delegation 0312 is applicable in the aforementioned cases, given the length and extension of the consultant's contracts, as well as the nature of the services contracted.

(c) Cheque payments

Approximately 20 450 cheque payments in excess of R2 000 were manually handed-over to beneficiaries by the department during the year, contrary to Treasury Regulation 15.12.3, which states that all payments in excess of R2 000 must

**REPORT OF THE AUDITOR-GENERAL TO MEMBERS OF THE KWAZULU-NATAL
PROVINCIAL LEGISLATURE ON THE FINANCIAL STATEMENTS OF
VOTE 7 - DEPARTMENT OF HEALTH
FOR THE YEAR ENDED 31 MARCH 2003**

be effected electronically unless otherwise approved by the relevant treasury. In this regard, no approval was obtained from the Provincial Treasury and additional unwarranted costs associated with these payments were incurred.

During the discussion of this report, the department undertook to meet with the relevant officials of the Provincial Treasury to find a way to resolve the aforementioned problem.

(d) Transfer payments

Notwithstanding the fact that this matter was raised in the prior year's audit report, none of the organisations as listed in Annexures 2A and 2B to the financial statements, to which payments totalling R382 842 000 were made during the year, submitted the written assurance, as required by section 38(1)(j) of the Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended.

In terms of the aforesaid Act, the accounting officer of a department, before transferring any funds to an entity, must obtain written assurance that the entity implements effective, efficient and transparent financial management and internal control systems, or if such written assurance cannot be obtained, then render the transfer of funds subject to conditions, which compels the entity to implement the necessary remedial measures.

The department has indicated that it is in the process of signing service level agreements, which incorporates the requirements of the aforementioned Act, with the subsidised institutions.

(e) Suspense accounts

Instances existed where officials of the department held subsistence and travel advances with little or no claims being submitted during the financial year. In the majority of cases the advances were in excess of R2 000, range in value up to R8 000, and date as far back as September 1995. This is contrary to Provincial Treasury's minutes, referenced 9/15/R dated 15 September 1999 and

4 October 2000, which calls for the withdrawal of this facility, as well as the department's circular dated 16 November 2000, which requires the repayment of all outstanding subsistence and travel advances.

The department has indicated that it is in the process of recovering outstanding advances from officials currently employed which, if not disputed, will be recovered from their salaries with effect from 1 August 2003. Disputed amounts were being investigated and where receipts have been misallocated, these cases will be corrected. Debts will be set up for outstanding amounts in respect of officials, who are no longer employed by the department, and in the final phase of the exercise, credit balances will be investigated and appropriately dealt with. The clearing of the PERSAL Disallowance Control Account (201768) forms part of the ongoing exercise to clear suspense accounts currently being conducted by the department.

4.2.3 Performance audit

Considerable progress has been made towards the completion of a performance audit of the Department's management of primary health care in the province. The key findings and effects, arising from this audit as well as corrective steps implemented or envisaged to be implemented, will be reported on in a separate report by this office.

5. APPRECIATION

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



BR WHEELER
For AUDITOR-GENERAL
PIETERMARITZBURG
31/07/2003

PART 7:

Audited Annual Financial Statements

STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS for the year ended 31 March 2003

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material respects, 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 for Departments and Constitutional Institutions issued in terms of the Act, as well as the Division of Revenue Act, Act 5 of 2002.

1. Basis of preparation

The financial statements have been prepared on a modified cash basis of accounting except where stated otherwise. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid. Under the accrual basis of accounting transactions and other events are recognised when incurred and not when cash is received or paid.

2. Revenue

Voted funds are the amounts appropriated to a department in accordance with the final budget known as the Adjustment Estimates of Provincial Expenditure. Unexpended voted funds are surrendered to the Provincial Revenue Fund. Interest received is recognised upon receipt of the funds,

and no accrual is made for interest receivable from the last receipt date to the end of the reporting period.

3. Donor aid

Donor aid is recognised in the Income Statement in accordance with the cash basis of accounting.

4. Current expenditure

Current expenditure is recognised in the income statement when the payment is made.

5. Unauthorised, irregular, and fruitless and wasteful expenditure

Unauthorised expenditure means:

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

Unauthorised expenditure is treated as a current asset in the balance sheet until such expenditure is recovered from a third party, authorised by Parliament, or funded from future voted funds.

Irregular expenditure means expenditure, other than unauthorised expenditure, incurred in contravention of or not in accordance with a

STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS for the year ended 31 March 2003

requirement of any applicable legislation, including:

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

Irregular expenditure is treated as expenditure in the Income Statement.

Fruitless and wasteful expenditure means expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure must be recovered from a responsible official (a debtor account should be raised), or the vote if responsibility cannot be determined.

6. Debts written off

Debts are written off when identified as irrecoverable. No provision is made for irrecoverable amounts.

7. Capital expenditure

Expenditure for physical items on hand on 31 March 2003 to be consumed in the following financial year, is written off in full when they are received and paid for and is accounted for as expenditure in the Income Statement. Physical assets (fixed assets and moveable assets) acquired are expensed i.e. written off in the Income Statement when received and payment is made.

8. Receivables

Receivables are not normally recognised under the cash basis of accounting. However, receivables included in the Balance Sheet arise from cash payments that are recoverable from another party. Receivables for services delivered are not recognised in the Balance Sheet as a current asset

or as revenue in the Income Statement, as the financial statements are prepared on a cash basis of accounting, but are disclosed separately in the notes to enhance the usefulness of the financial statements.

9. Payables

Payables are not normally recognised under the cash basis of accounting. However, payables included in the Balance Sheet arise from cash receipts that are due to either the Provincial Revenue Fund or another party.

10. Lease commitments

Lease commitments for the period remaining from the accounting date until the end of the lease contract are disclosed as a note to the financial statements. These commitments are not recognised in the Balance Sheet as a liability or as expenditure in the Income Statement as the financial statements are prepared on the cash basis of accounting.

11. Accruals

This amount represents goods/services that have been delivered, but no invoice has been received from the supplier at year end OR an invoice has been received but remains unpaid at year end. These amounts are not recognised in the Balance Sheet as a liability or as expenditure in the Income Statement as the financial statements are prepared on the cash basis of accounting, but are however disclosed as a note.

12. Employee benefits

12.1 Short-term employee benefits

The cost of short-term employee benefits is expensed in the Income Statement in the reporting period that the payment is made. Short-term employee benefits, that give rise to a present legal or constructive obligation, are deferred until they can be reliably measured and then expensed. Details of these benefits and the potential liabilities

STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS for the year ended 31 March 2003

are disclosed as a note to the financial statements and are not recognised in the Income Statement.

12.2 Termination benefits

Termination benefits are recognised and expensed only when the payment is made.

12.3 Retirement benefits

The department provides retirement benefits for its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when money is paid to the fund. 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.

12.4 Medical benefits

The department provides medical benefits for its employees through defined benefit plans. These benefits are funded by employer and/or employee contributions. Employer contributions to the fund are expensed when money is paid to the fund. No provision is made for medical benefits in the financial statements of the department. Retirement medical benefits for retired members are expensed when the payment is made to the fund.

13. Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year. The comparative figures shown in these financial statements are limited to the figures shown in the previous year's audited financial statements and such other comparative figures that the department may reasonably have available for reporting.

INCOME STATEMENT for the year ended 31 March 2003

	Notes	2003 R'000	2002 R'000
REVENUE			
Voted Funds			
Charge to Provincial Revenue Fund	1.1	7,419,706	6,743,729
Statutory Appropriation	2	7,419,180	6,743,203
		526	526
Non-voted Funds			
Other revenue to be surrendered to the Revenue Fund	3	118,844	118,255
Local and foreign aid assistance	4.1	117,809	118,255
		1,035	-
TOTAL REVENUE		7,538,550	6,861,984
EXPENDITURE			
Current Expenditure			
Personnel	5	6,765,307	6,249,178
Administrative		4,221,695	4,172,158
Inventories	6	197,656	198,594
Machinery and equipment	7	1,178,087	948,400
Land and buildings	8	41,094	42,235
Professional and special services	9	7,392	4,628
Transfer payments	10	688,483	509,982
Miscellaneous	11	382,842	366,579
Special functions: authorised losses	12	6,038	3,414
Statutory Payment	2	39,797	2,662
Local and foreign aid assistance	4.1	577	526
		1,646	-
Capital Expenditure			
Personnel	5	771,708	783,785
Administrative		64,117	65,557
Inventories	6	567	511
Machinery and equipment	7	15,074	14,760
Land and buildings	8	186,540	100,388
Professional and special services	9	219,276	163,126
Transfer payments	10	281,134	439,443
		5,000	-
TOTAL EXPENDITURE		7,537,015	7,032,963
NET SURPLUS/(DEFICIT) FOR THE YEAR			
		1,535	(170,979)
Add back unauthorised expenditure	14.2	174,525	302,723
NET SURPLUS FOR THE YEAR	13	176,060	131,744

BALANCE SHEET as at 31 March 2003

	Notes	2003 R'000	2002 R'000
ASSETS			
Current assets		741,649	598,209
Unauthorised, irregular, fruitless and wasteful expenditure	14	694,432	519,871
Cash and cash equivalents	15	2,309	6,233
Receivables	16	29,615	66,883
Inventories	17	15,097	5,222
Local and foreign aid receivable from donors	4.1	196	0
Total assets		741,649	598,209
LIABILITIES			
Current Liabilities		741,601	598,209
Payables	20	20,996	14,511
Provincial Treasury		720,605	583,698
Total liabilities		741,601	598,209
NET ASSETS		48	0
EQUITY		48	0
Local and foreign aid rolled over	4.1	48	0
Total Equity		48	0

**STATEMENT OF CHANGES IN NET ASSETS/EQUITY
for the year ended 31 March 2003**

	Notes	2003 R'000	2002 R'000
Local and foreign aid assistance rolled over			
Opening Balance		0	0
Transfers	4.1	48	0
Closing Balance	4.1	<u>48</u>	<u>0</u>

CASHFLOW STATEMENT for the year ended 31 March 2003

	Notes	2003 R'000	2002 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash flow generated from operating activities	21	947,719	915,268
Cash utilised to increase working capital	22	(140,682)	(351,376)
Voted funds and revenue funds paid over during the year	23	(176,671)	(131,744)
Local and foreign aid assistance		462	
		630,828	432,148
CASH FLOWS FROM INVESTING ACTIVITIES			
		(771,659)	(783,524)
Capital expenditure		(771,708)	(783,785)
Proceeds from sale of land, buildings & structures	3	1	0
Proceeds from sale of equipment	3	48	261
		(140,831)	(351,376)
Net cash flows from operating and investing activities		(140,831)	(351,376)
Cash and cash equivalents at beginning of period		(577,465)	(226,089)
		(718,296)	(577,465)
Cash and cash equivalents at end of period		(718,296)	(577,465)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2003

	Notes	2003 R'000	2002 R'000
1 Charge to Provincial Revenue Fund			
1.1 Total Appropriation per Programme			
Administration		144,677	129,540
District Health Services		3,825,571	3,244,479
Provincial Hospital Services		1,917,836	2,027,629
Central Health Services		928,687	520,234
Health Sciences		198,811	162,962
Auxiliary and Associated Services		403,598	658,359
		7,419,180	6,743,203
1.2 Conditional Grants			
Included in the above are funds specifically and exclusively appropriated for conditional grants		1,167,495	1,015,083
Refer to annexure 1 for an analysis of the conditional grants and the related expenditure.			
2 Statutory Appropriation			
Appropriation for remuneration and other payments of Executive Authority and Legislature not under the control of the department		526	526
Less actual expenditure		(577)	(526)
Over expenditure		(51)	0

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2003

	Notes	2003 R'000	2002 R'000
3 Other revenue to be surrendered to the Revenue Fund			
Board and lodging		5,687	5,214
Domestic Services		430	415
Fines and forfeiture		22	40
Gifts, donations and sponsorships	3.1	-	52
Housing rent		2,404	1,449
Interest received		2,254	1,849
Loss control		510	1,648
Other		6,142	3,263
Patient fees		97,080	99,983
Private telephone, photostats & faxes		249	-
Proceeds from sale of land, buildings & structures		1	-
Proceeds from sale of equipment		48	261
Refunds previous year		2,486	514
Registration, tuition and exam fees		189	242
Sale of inventories		258	-
Salaries overpaid previous financial year		-	2,139
Study loans		-	752
Subsidised motor scheme		49	434
		117,809	118,255

3.1 Gifts, donations and sponsorships received

Emmanuel Church in UK to purchase equipment for Benedictine Hospital		-	52
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3.2 Gifts, donations and sponsorships received in kind.

<i>AIDS Committee of the Queen of Peace Margate Church</i>			
A wendy house for Nutrition & HIV/AIDS for Entabeni Clinic		6	
<i>Augustine Medical</i>			
BAIR Hugger body warming system for Addington Hospital		15	
<i>Austrian Government</i>			
Ultra sound scanning machine for King Edward Hospital		231	

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2003

	Notes	2003 R'000	2002 R'000
<i>Beckham Coulter</i>			
CX7 Analyser for Greys Laboratory		600	
ACT Analyser for Itshelejuba Laboratory		90	
Upgrade of existing Synchron CX5 and a new Synchron CX3 ACT Analyser for Wentworth Laboratory		500 90	
<i>Bowen Health Services District</i>			
4 Ivac Infusion Pump for Ladysmith Hospital		1	
<i>Childhood Cancer Foundation of SA</i>			
Television for children's ward at Grey's Hospital		3	
Television for children's ward at Edendale Hospital		3	
Equipment for Paediatric Ward at Grey's Hospital		4	
<i>Christ the King Hospital Board</i>			
Christmas gifts		2	
<i>Colgate Palmolive (Pty) Ltd</i>			
Toothpaste, toothbrush & Palmolive Soap for schools for oral health		34	
<i>College of Nursing Fund</i>			
Siemens Fujitsu computer to assist with preparation of lecture material at Addington Hospital		9	
<i>Dr. G. Kuschke</i>			
Television and video machine to educate and impact information of health matters for Ladysmith Hospital		2	
<i>Dunlop Tyres</i>			
Personal computers Provincial, Regional and Ladysmith Laboratory Services		9	
<i>Durban Oncology Centre</i>			
Television for patients for Addington Hospital		1	
<i>Gastro Intestinal Unit – Nelson Mandela Medical School</i>			
Payment of a workshop		26	

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2003

	Notes	2003 R'000	2002 R'000
<i>Gizmo Bears</i>			
Teddy bears for children as Xmas gifts at St. Mary's KwaMagwaza		3	
<i>GJ Crookes Hospital Board</i>			
Cash for Christmas celebrations for GJ Crookes Hospital		7	
<i>Granite and Marble Industries</i>			
Battery operated wall clock for Clairwood Hospital		0	
<i>Grey's Hospital Board</i>			
Workshop for radiographers		6	
Catering for Christmas		5	
30 copies of "7 Habits of Highly Effective People" for management development		3	
SATS Congress expenses for Sister Ndamase		2	
<i>Honey Dew Dairies</i>			
Fruit juices fro patients at Clairwood Hospital		1	
<i>Llex Medical Systems</i>			
Blood Gas Analyser for Regional Laboratory Services		95	
<i>Iscor Long Steel</i>			
Various items to assist the community in Newcastle		5	
<i>Italian Consulate</i>			
Car, Fiat Palio for Head Office		81	
Medical and office equipment to improve service delivery at various hospitals		3,470	
<i>Japanese Government</i>			
Data projectors, overhead projectors, television, video recorder, comb-equipment for Provincial Aids Unit		51	
<i>Kaizer Chiefs</i>			
Cash used for HIV/ Aids patients for Benedictine Hospital		10	
<i>KwaZulu-Natal Wheelchairs</i>			
Wheelchairs for Church of Scotland		18	

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2003

	Notes	2003 R'000	2002 R'000
<i>KZN Kidney Association</i> Renal Unit for Greys Hospital		10	
<i>Matatiele Emergency Care Association</i> Curtains to refurbish wards at Tayler Bequest Hospital		7	
<i>Medical Research Council</i> 2 computers to be used for Malaria control at Jozini		16	
<i>Mrs S. Smith</i> Wheelchairs for Addington Hospital		0	
<i>Nestle and Fresenius Kabi</i> Workshop sponsorship for Nutrition Congress attended by Ms Murugen-Mahatma		3	
<i>Paging Plus Natal</i> 50 pagers for doctors at King Edward Hospital		17	
<i>Reach for a Dream</i> Fun centre for children with life threatening illnesses at Inkosi Albert Luthuli Central Hospital		10	
<i>Safecare Community Care Centre</i> Lounge suite for the crisis centre at Prince Mshiyeni Memorial Hospital		5	
<i>Servetech Service & Spares</i> Netball outfit used fro tournaments at the Regional Laundry, Cator Manor		2	
<i>Sri Sathya Organisation</i> Bedlinen for the paediatric ward at Christ the King		2	
<i>Ukubuyiselwa</i> Staff member from Mahatma Gandhi Hospital to attend a workshop		4	
<i>Unknown Donor</i> Television for bedridden children		0	

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2003

	Notes	2003 R'000	2002 R'000
<i>Victor Diaz Foundation</i>			
Medical equipment		268	
Prior year's donations received			9,550
		<u>5,727</u>	<u>9,550</u>

Refer to Annual Financial Statements for the year ended 31 March 2002 for an analysis of the prior year donations.

4 Local and foreign aid assistance

4.1 Received in cash

Opening Balance		463	
- Local		458	
- Foreign		5	
Total received in current year		1,035	
- Local		697	
- Foreign		338	
Total expenditure in current year		(1,646)	
- Local		(1,112)	
- Foreign		(534)	
Closing Balance		(148)	
- Local		43	
- Foreign		(191)	
Analysis of closing balance			
- Amounts owing by donors		196	
- Amounts to be rolled over		(48)	
		<u>148</u>	

Refer to Annexure 2 for an analysis of the local and foreign aid assistance received.

4.2 Local and foreign aid assistance received in kind

Japanese Government – building of Nseleni Clinic		<u>86,000</u>	<u>0</u>
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2003

	Notes	2003 R'000	2002 R'000
5 Personnel			
Current		4,221,695	4,172,158
Basic salary costs		2,947,156	2,982,802
Pension contributions		425,619	436,765
Medical aid contributions		234,171	211,270
Other salary related costs		614,749	606,878
Prior year capital		-	(65,557)
Capital		64,117	65,557
Basic salary costs		45,687	
Pension contributions		6,693	
Medical aid contributions		3,383	
Other salary related costs		8,354	
Prior year capital		-	65,557
		4,285,812	4,237,715
Average number of employees		44,682	49,132
6 Inventories			
Current		1,178,087	948,400
Blood		56,106	45,055
Catering		26,171	23,593
Cleaning & pest control		21,471	24,083
Consumables for patients		53,980	52,469
Fuel		56,729	49,558
Medical supplies		313,306	259,204
Other		9,885	11,324
Packaging and stationery		34,414	28,862
Pharmaceuticals		574,601	428,429
Repairs and maintenance material		19,745	29,447
Uniforms		11,679	11,136
Prior year capital		-	(14,760)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2003

	Notes	2003 R'000	2002 R'000
Capital		15,074	14,760
Blood		22	-
Catering		5	-
Cleaning & pest control		90	-
Consumables for patients		53	-
Fuel		489	-
Medical supplies		111	-
Other		1,172	-
Packaging and stationery		23	-
Repairs and maintenance material		13,083	-
Uniforms		26	-
Prior year capital		-	14,760
		1,193,185	963,160
7 Machinery and equipment			
Current		41,094	42,235
Computer equipment		3,045	-
Furniture and office equipment		13,297	-
Medical equipment		11,486	-
Other		1,962	794
Rentals		9,259	9,926
Transport		2,045	-
Prior year capital		-	31,515
Capital		186,540	100,388
Computer equipment		12,115	7,843
Furniture and office equipment		9,799	25,870
Medical equipment		114,047	64,943
Other machinery and equipment		4,391	3,121
Transport		46,188	30,126
Prior year capital		-	(31,515)
		227,634	142,623

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2003

	Notes	2003 R'000	2002 R'000
8 Land and Buildings			
Current		7,392	4,628
Construction of buildings		15	-
Dwellings		2,337	-
Maintenance		378	53,204
Other		33	-
Rental		4,629	5,447
Prior year capital			(54,023)
Capital		219,276	163,126
Dwellings		1,722	4,326
Non residential buildings		159,598	102,099
Land		-	2,678
Improvements and maintenance		57,115	54,023
Other		841	-
		<u>226,668</u>	<u>167,754</u>
9 Professional and special services			
Current		688,483	509,982
Auditors' remuneration		3,499	4,651
Contractors		490,009	757,004
Consultants and advisory services		71,832	90,305
Commissions and committees		530	541
Computer services		19,676	11,691
Municipal charges		101,727	83,958
Other		1,210	1,275
Prior year capital		-	(439,443)
Capital		281,134	439,443
Contractors		243,476	-
Consultants and advisory services		37,484	-
Computer services		41	-
Municipal charges		124	-
Other		9	-
Prior year capital		-	439,443
		<u>969,617</u>	<u>949,425</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2003

	Notes	2003 R'000	2002 R'000
10 Transfer payments			
Current		382,842	366,579
Municipalities		48,104	39,901
Subsidies		334,738	326,678
Capital		5,000	0
PMSC Trading Account		5,000	0
		<u>387,842</u>	<u>366,579</u>
Refer to Annexure 3 for an analysis of the transfer payments.			
11 Miscellaneous			
Bank charges		93	4
Claims against the state		420	587
Medical claims		5,502	2,321
Other		23	502
		<u>6,038</u>	<u>3,414</u>
12 Special functions: authorised losses			
Material losses through criminal conduct	12.1	-	1
Debts written off	12.2	39,252	2,347
Other material losses written off in income statement	12.3	545	314
		<u>39,797</u>	<u>2,662</u>
12.1 Material losses through criminal conduct			
Criminal and negligence		-	1
12.2 Debts written off			
Nutrition		33,344	1,614
Staff debts		5,908	733
		<u>39,252</u>	<u>2,347</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2003

	Notes	2003 R'000	2002 R'000
12.3 Other material losses written off			
Loss and damage to land and buildings		-	1
Miscellaneous losses		-	14
Supplies and equipment deficits		296	131
Theft of drugs		1	-
Theft of computers		10	-
Vehicle collision and damages		151	168
Vehicle theft		87	-
		<u>545</u>	<u>314</u>
13 Analysis of net surplus for the year			
Voted funds to be surrendered		58,862	13,489
Non voted funds		117,198	118,255
Other revenue to be surrendered		117,809	118,255
Local and foreign aid rolled over		(611)	-
		<u>176,060</u>	<u>131,744</u>
14 Unauthorised irregular, and fruitless and wasteful expenditure			
Unauthorised expenditure	14.2	689,956	515,431
Thefts and losses awaiting approval	14.3	4,476	4,440
	14.1	<u>694,432</u>	<u>519,871</u>
14.1 Reconciliation of unauthorised expenditure			
Opening balance		519,871	215,829
Transfer from income statement		174,525	302,723
Transfer to income statement		-	1,319
Transfer to thefts and losses awaiting approval		36	-
Closing balance		<u>694,432</u>	<u>519,871</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2003

	Notes	2003 R'000	2002 R'000
14.2 Unauthorised expenditure			
Prior years over spending		515,431	212,708
Current years overspending on programmes		174,525	302,723
Administration		-	856
District Health Services		-	242,912
Provincial Hospital Services		126,097	12,104
Central Health Services		47,362	42,772
Health Sciences		844	4,079
Auxiliary and Associated Services		222	-
		689,956	515,431
14.3 Thefts and losses awaiting approval			
Compensation claims		204	124
Criminal and negligence		92	95
Claims against the state		9	-
Ex-Gratia payments		-	15
Loss and damage to land and buildings		527	265
Miscellaneous losses		94	118
Other		28	1,652
Other revenue		58	97
Supplies and equipment deficits		1,417	497
Theft of cheques		95	30
Theft of cell phones		17	-
Theft of computers		113-	-
Vehicle collisions and damage		258	204
Vehicle thefts and losses		1,564	1,343
		4,476	4,440
15 Cash and cash equivalents			
Official Imprest		2,309	6,233
16 Receivables - Current			
Amounts owing by other departments	16.3	1,716	5,174
Staff debtors	16.4	18,491	16,024
Other debtors	16.5	9,408	45,685
		29,615	66,883

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2003

	Notes	2003 R'000	2002 R'000
16.1	Amounts of R10,895,412 (2002: R49,846,354) included in the above figures may not be recoverable but this has not been provided for in the Income Statement		
16.2 Age analysis			
Less than one year		9,827	7,918
One to two years		7,327	2,658
More than two years		12,461	56,307
		<u>29,615</u>	<u>66,883</u>
16.3 Amounts owing by other departments			
Claims recoverable from departments		3	5,174
Mpumalanga Provincial Administration		20	-
National Health and Population Development		63	-
South African Defence Force		811	-
University of Durban Westville		698	-
University of Natal		121	-
		<u>1,716</u>	<u>5,174</u>
16.4 Staff debtors			
Debt: breach of contract - study		341	339
Debt: breach of contract - 100% housing		857	1,618
Debt control PERSAL other		229	301
Debt control tax debt		1,163	1,314
Debt: employee miscellaneous		1,329	2,570
Debtor debt		7,706	5,345
Debts: personal		520	1,473
Deduction disallowance accounts		443	(37)
Housing guarantee payment		1,147	495
Other staff debts		24	21
Pension receipts		209	-
PERSAL disallowance control		211	226
S & T control account		1,016	616
Salary reversal control account		3,296	1,743
		<u>18,491</u>	<u>16,024</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2003

	Notes	2003 R'000	2002 R'000
16.5 Other debtors			
Dishonoured cheques		153	88
Nutrition debts			
PEM Scheme		173	173
Primary School Nutrition		3,932	20,342
National Nutrition Social Development		4,962	24,890
Nutrition debts from individuals		184	192
Other		4	-
		9,408	45,685
17 Inventories			
Central Provincial Stores – Capital		(7,450)	(7,450)
Central Provincial Stores – Stock		22,547	12,672
		15,097	5,222
18 Voted funds to be surrendered			
Opening balance		-	-
Transfer from income statement	13	58,862	13,489
Paid during the year	23	(58,862)	(13,489)
Closing balance		-	-
19 Revenue funds to be surrendered			
Opening balance		-	-
Transfer from income statement	13	117,809	118,255
Paid during the year	23	(117,809)	(118,255)
Closing balance		-	-
20 Payables - Current			
Amounts owing to other departments	20.1	720	-
Advances received	20.2	-	393
Other payables	20.3	20,276	14,118
		20,996	14,511

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2003

	Notes	2003 R'000	2002 R'000
20.1 Amounts owing to other departments			
Department of National Education		358	-
Durban City Health Department		196	-
Department of Housing		53	-
Department of Education		113	-
		<u>720</u>	<u>-</u>
20.2 Advances received			
National Health Poverty Relief		-	380
Other		-	13
		<u>-</u>	<u>393</u>
20.3 Other payables			
Contract deposits		1	2
Deductions from official's salary		1,126	-
Medical aid receipts		3,873	-
Other sundry creditors		-	2
Pension receipts		12,261	14,055
Receipt suspense		6	-
Salary reversal		2,335	-
Taxation temporary employees		526	-
UIF – temporary employees		148	59
		<u>20,276</u>	<u>14,118</u>
21 Net cash flow from operating activities excluding capital items			
Net surplus as per Income Statement		176,060	131,744
Adjusted for items disclosed separately:		771,659	783,524
Proceeds from sale of equipment		(48)	(261)
Proceeds from sale of land, buildings & structures		(1)	0
Purchase of capital items		771,708	783,785
Net cash flow generated by operating activities		<u>947,719</u>	<u>915,268</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2003

	Notes	2003 R'000	2002 R'000
22 Cash utilised to increase working capital			
Decrease in receivables		37,268	(45,685)
Increase in payables		6,485	676
(Increase) in inventories		(9,875)	(2,325)
(Increase) in Thefts & Losses Awaiting Approval		(35)	(1,319)
(Increase) in unauthorised expenditure		(174,525)	(302,723)
		<u>(140,682)</u>	<u>(351,376)</u>
23 Voted and revenue funds paid during the year			
Voted funds	18	(58,862)	(13,489)
Revenue funds	19	(117,809)	(118,255)
		<u>(176,671)</u>	<u>(131,744)</u>

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2003

These amounts are not recognised in the financial statements, and are 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), the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act and the Division of Revenue Act, Act 5 of 2002.

	Notes	2003 R'000	2002 R'000
24 Receivables for services rendered			
Addington Hospital		19,354	12,268
Midlands Hospital – Fort Napier		7,730	4,663
King Edward VIII Hospital		2,576	3,716
Greys Hospital		2,330	-
Newcastle Hospital		2,286	2,027
Dundee Hospital		2,229	1,633
Midlands Hospital –Town Hill		1,765	1,557
Edendale Hospital		1,466	1,151
Vryheid Hospital		1,428	1,301
Inkosi Albert Luthuli Central Hospital		1,413	-
Eshowe Hospital		-	2,022
Port Shepstone Hospital		-	1,138
Ladysmith Hospital		-	1,126
Other		11,291	6,810
		<u>53,868</u>	<u>39,412</u>

The above balance represents patient fee income that has been billed to the patients, but not yet collected.

25 Inventories		
Hospitals	148,875	
Consumables	93,183	
Pharmaceuticals	55,692	
Clinics	4,514	
Consumables	1,447	
Pharmaceuticals	3,067	
	<u>153,389</u>	
Consumables	94,630	
Pharmaceuticals	58,759	
	<u>153. 389</u>	

The above inventory has not been accounted for on the Balance Sheet. Inventory is valued at actual cost. Only 85% of all hospitals and clinics conducted stock counts. It excludes the central provincial stores as this is already accounted for on the balance sheet, note 17. It also excludes the stock at Provincial Medical Supply Centre as a separate set of financial statements has been prepared.

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2003

	Notes	2003 R'000	2002 R'000
26 Contingent liabilities			
Housing loan guarantees		52,241	47,027
Medical legal claims		67,016	82,366
		119,257	129,393
<p>The majority of the housing guarantees are covered by the official's pension fund. Refer to annexure 4 for an analysis of the housing loan guarantees.</p> <p>Based on past experience and information an average of 5% to 8% of claims lodged is paid out</p>			
27 Commitments			
Current expenditure			
Approved and contracted for		26,685	35,958
Capital expenditure			
Approved and contracted for		103,118	103,812
		129,803	139,770
28 Accruals			
Listed by standard item			
Personnel		2	35,319
Administrative		8,628	1,659
Inventories		9,639	8,026
Machinery and equipment		1,702	1,189
Land and buildings		728	1,398
Professional and special services		5,606	7,912
Transfer payments		612	3,055
Miscellaneous		-	51
		26,917	58,609

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2003

	Notes	2003 R'000	2002 R'000
Listed by programme level			
Administration		987	1,091
District Health Services		8,031	29,062
Provincial Hospital Services		7,822	16,998
Central Health Services		700	4,692
Health Sciences		7,579	1,392
Auxiliary and Associated Services		1,798	5,352
Special Functions		-	22
		26,917	58,609

29 Employee benefits

Leave entitlement			
Current cycle		67,807	70,995
Previous cycle		137,193	125,865
Capped leave		679,412	664,562
Thirteenth cheque		106,430	71,038
		990,842	932,460

The likelihood of paying out the current and previous cycle is minimal as the leave policy states that leave accrues on the 1st of January each year and an employee must utilise the leave within 18 months from this date otherwise the leave will be forfeited.

30 Leases

Operating leases – property

Not later than 1 year		3,750	967
Later than 1 year and not later than 3 years		2,137	2,591
Later than 3 years		1,410	-
		7,297	3,558

31 Related party transactions

The department operates a trading entity, Provincial Medical Supplies Centre (PMSC). PMSC is responsible for the purchasing of pharmaceuticals from suppliers and then selling these to the various hospitals. These are sold at cost plus a mark-up of 6% to cater for the administration costs of PMSC. The purchase of the pharmaceuticals is disclosed as part of inventories in the Department of Health's financial statements.

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2003

	Notes	2003 R'000	2002 R'000
32 Key management personnel			
32.1 Remuneration and other allowances			
Minister		890	615
Head of Department		751	536
Senior General Managers		1,099	1,594
General Managers		3,254	2,223
Managers		40,444	30,874
		46,438	35,842
	No. of staff	No. of staff	
Minister		1	1
Head of Department		1	1
Senior General Managers		2	3
General Managers		7	5
Managers		104	91
		115	101

The above figure excludes the hospital managers and finance managers who are generally below level 13.

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2003

33 Public Private Partnership

The KwaZulu-Natal Department of Health entered into a public private partnership with Cowslip Investments (Pty) Ltd and Impilo Consortium (Pty) Ltd. The agreement is for the supply of equipment, information management & technology, facilities management and all associated services for the Inkosi Albert Luthuli Central Hospital.

This agreement will enable the department to deliver clinical services at the hospital and to promote the hospital as a central referral hospital operating at the highest standards in terms of quality, efficiency, effectiveness and patient focused care.

The department is responsible for the employment of all health care staff and the administration staff and the provision of all consumables used in the provision of the health care services.

The Impilo Consortium is responsible for:

- the initial equipment i.e. both medical and non medical as well as the replacement of these assets in accordance with an asset replacement policy,
- the installation, training, management and upgrading of all information management and technology,
- provision of all facilities management e.g. cleaning, catering, laundry, security, building maintenance etc.

The commencement date of the contract was 4 February 2003 and the final commissioning date is 31 August 2003. The contract is for a period of 15 years from the commencement date. The department has the option to renew the agreement for a further 1 year after 15 years.

An initial amount of R360m was paid by the department on the commencement date to purchase the initial equipment and surgical equipment.

In terms of the agreement the department is required to pay a monthly service fee as stipulated in the schedule of payments to cover the monthly operational costs for facilities management, information technology and maintenance of equipment and consumables that the consortium is responsible for. This service fee is then adjusted each month in accordance with the penalty clause.

The department has to also pay a quarterly fee for the asset replacement reserve. These payments have been index linked.

During the term of the agreement the Department has full use of the assets and the consortium may not utilise the assets as security against any borrowings. Assets will only transfer to the department at the end of the agreement.

The commitments for the remainder of the agreement from the end of the current financial year are listed below.

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2003

	Notes	2003 R'000	2002 R'000
Future Commitments			
Monthly Service Fee		3,198,366	
Not later than 1 year		184,401	
Later than 1 year and not later than 3 years		402,814	
Later than 3 years		2,611,151	
 Quarterly Contribution		 1,653,348	
Not later than 1 year		142,928	
Later than 1 year and not later than 3 years		259,933	
Later than 3 years		1,250,487	
		<hr/> 4,851,714 <hr/>	

APPROPRIATION STATEMENTS for the year ended 31 March 2003

	2002/03				2001/02		
	Revised Allocation	Actual Expenditure	Savings (Excess)	% Spent	Revised Allocation	Actual Expenditure	Savings (Excess)
	R'000	R'000	R'000		R'000	R'000	R'000
ENTIRE DEPARTMENT							
PROGRAMME							
1 Administration	144,677	143,289	1,388	99	129,540	130,396	(856)
Current	144,222	143,010	1,212	99	129,395	130,396	(1,001)
Capital	455	279	176	61	145	-	145
2 District Health Services	3,825,571	3,819,179	6,392	100	3,244,479	3,487,391	(242,912)
Current	3,702,893	3,674,473	28,420	99	3,207,713	3,415,062	(207,349)
Capital	122,678	144,706	(22,028)	118	36,766	72,329	(35,563)
3 Provincial Hospital	1,917,836	2,027,813	(109,977)	106	2,027,629	2,039,733	(12,104)
Current	1,819,636	1,945,733	(126,097)	107	1,998,022	1,974,661	23,361
Capital	98,200	82,080	16,120	84	29,607	65,072	(35,465)
4 Central Health Services	928,687	976,049	(47,335)	105	520,234	563,006	(42,772)
Current	726,099	760,196	(34,097)	105	517,153	558,721	(41,568)
Capital	202,588	215,853	(13,265)	107	3,081	4,285	(1,204)
5 Health Sciences	198,811	199,655	(844)	100	162,962	167,041	(4,079)
Current	198,811	199,653	(842)	100	162,962	167,026	(4,064)
Capital	-	2	(2)	-	-	15	(15)
6 Auxiliary and Associated Services	403,598	329,010	74,588	82	658,359	642,208	16,151
Current	-	222	(222)	-	879	124	755
Capital	403,598	328,788	74,810	81	657,480	642,084	15,396
Special Functions	-	39,797	(39,797)	-	-	2,662	(2,662)
Current	-	39,797	(39,797)	-	-	2,662	(2,662)
Capital	-	-	-	-	-	-	-
Statutory Payment	526	577	(51)	110	526	526	-
Total	7,419,706	7,535,369	(115,663)	102	6,743,729	7,032,963	(289,234)
DIRECT CHARGE AGAINST THE PROVINCIAL REVENUE FUND							
1 Equitable Share	7,419,706	7,535,369	(115,663)	102	6,743,729	7,032,963	(289,234)
Total	7,419,706	7,535,369	(115,663)	102	6,743,729	7,032,963	(289,234)

The main reasons for the overall spending are

- Introduction of the PMTCT programme
- Fluctuations in the exchange rate and its impact on the purchase of equipment and medical supplies
- The late commissioning of the Inkosi Albert Luthuli Central Hospital
- Increase in the demand for Health Services

A large portion of the fluctuations between programmes is due to the incorrect utilisation of programme objective codes when payment for expenditure is made

APPROPRIATION STATEMENTS for the year ended 31 March 2003

	2002/03				2001/02		
	Revised Allocation	Actual Expenditure	Savings (Excess)	%	Revised Allocation	Actual Expenditure	Savings (Excess)
	R'000	R'000	R'000	Spent	R'000	R'000	R'000
ECONOMIC CLASSIFICATION							
Current	6,591,661	6,723,287	(131,626)	102	6,016,124	6,245,990	(229,866)
Personnel	4,204,633	4,221,695	(17,062)	100	4,061,506	4,172,158	(110,652)
Transfer payments	371,072	382,842	(11,770)	103	332,023	366,579	(34,556)
Other	2,015,956	2,118,750	(102,794)	105	1,622,595	1,707,253	(84,658)
Capital	827,519	771,708	55,811	93	727,079	783,785	(56,706)
Transfer payments	5,000	5,000	-	100	1	-	1
Acquisition of capital assets	395,962	405,817	(9,855)	102	255,677	263,512	(7,835)
Other	426,557	360,891	65,666	85	471,401	520,273	(48,872)
Special Functions	526	577	(51)	110	526	526	-
Statutory Payment	-	39,797	(39,797)	-	-	2,662	(2,662)
Total	7,419,706	7,535,369	(115,663)	102	6,743,729	7,032,963	(289,234)
STANDARD ITEM							
Personnel	4,288,050	4,285,812	2,238	100	4,061,506	4,237,715	(176,209)
Administrative	189,700	198,223	(8,523)	104	172,786	199,105	(26,319)
Inventories	1,147,476	1,193,161	(45,685)	104	954,668	963,160	(8,492)
Machinery and equipment	224,834	227,634	(2,800)	101	141,852	142,623	(771)
Land and buildings	227,327	226,668	659	100	160,235	167,754	(7,519)
Professional and special services	960,545	969,617	(9,072)	101	916,990	949,425	(32,435)
Transfer payments	376,072	387,842	(11,770)	103	332,024	366,579	(34,555)
Miscellaneous	5,176	6,038	(862)	117	3,142	3,414	(272)
Special functions	-	39,797	(39,797)	-	-	2,662	(2,662)
Statutory payment	526	577	(51)	-	526	526	-
Total	7,419,706	7,535,369	(115,663)	102	6,743,729	7,032,963	(289,234)

During the year there have been misallocations between capital and current objectives.

Reconciliation of Appropriation Statement to Income Statement.

	2003 R'000	2002 R'000
Total expenditure per Appropriation Statement	7,535,369	7,032,963
Add: Local and foreign aid assistance	1,646	-
Actual expenditure per income statement	7,537,015	7,032,963

Refer to the management report for detailed explanations of variances per programme.

APPROPRIATION STATEMENTS for the year ended 31 March 2003

	2002/03				2001/02		
	Revised Allocation	Actual Expenditure	Savings (Excess)	% Spent	Revised Allocation	Actual Expenditure	Savings (Excess)
	R'000	R'000	R'000		R'000	R'000	R'000
PROGRAMME 1 - ADMINISTRATION							
SUB - PROGRAMME							
Minister	4,214	3,611	603	86	2,614	2,974	(360)
Current	3,964	3,611	353	91	2,614	2,974	(360)
Capital	250	-	250	-	-	-	-
Management	140,463	139,678	785	99	126,926	127,422	(496)
Current	140,258	139,399	859	99	126,781	127,422	(641)
Capital	205	279	(74)	136	145	-	145
Total	144,677	143,289	1,388	99	129,540	130,396	(856)
ECONOMIC CLASSIFICATION							
Current	144,222	143,011	1,211	99	129,395	130,396	(1,001)
Personnel	87,501	83,386	4,115	95	85,698	81,822	3,876
Transfer payments	-	-	-	-	-	-	-
Other	56,721	59,625	(2,904)	105	43,697	48,574	(4,877)
Capital	455	278	177	61	145	0	145
Transfer payments	-	-	-	-	-	-	-
Acquisition of capital assets	455	278	177	61	145	-	145
Other	-	-	-	-	-	-	-
Total	144,677	143,289	1,388	99	129,540	130,396	(856)
STANDARD ITEM							
Personnel	87,501	83,386	4,115	95	85,698	81,822	3,876
Administrative	17,776	19,799	(2,023)	111	14,587	17,547	(2,960)
Inventories	2,945	2,986	(41)	101	2,297	2,526	(229)
Machinery and equipment	2,498	3,002	(504)	120	1,482	3,230	(1,748)
Land and buildings	210	208	2	99	3	(86)	89
Professional and special services	29,347	28,405	942	97	23,813	22,828	985
Transfer payments	-	-	-	-	-	-	-
Miscellaneous	4,400	5,503	(1,103)	125	1,660	2,529	(869)
Special functions	-	-	-	-	-	-	-
Total	144,677	143,289	1,388	99	129,540	130,396	(856)

APPROPRIATION STATEMENTS for the year ended 31 March 2003

	2002/03				2001/02		
	Revised	Actual	Savings	%	Revised	Actual	Savings
	Allocation	Expenditure	(Excess)	Spent	Allocation	Expenditure	(Excess)
	R'000	R'000	R'000		R'000	R'000	R'000
PROGRAMME 2 - DISTRICT HEALTH SERVICES							
SUB - PROGRAMME							
District Management	42,856	42,178	678	98	28,497	31,689	(3,192)
Current	42,413	41,799	614	99	28,497	31,689	(3,192)
Capital	443	379	64	86	-	-	-
Community Health Services	1,519,636	1,477,686	41,950	97	1,334,080	1,462,943	(128,863)
Current	1,506,308	1,467,400	38,908	97	1,330,263	1,457,251	(126,988)
Capital	13,328	10,286	3,042	77	3,817	5,692	(1,875)
Emergency Medical Rescue Services	182,981	196,427	(13,446)	107	167,267	158,335	8,932
Current	168,300	177,990	(9,690)	106	151,090	157,538	(6,448)
Capital	14,681	18,437	(3,756)	126	16,177	797	15,380
District Hospitals	2,080,098	2,102,888	(22,790)	101	1,714,635	1,834,424	(119,789)
Current	1,985,872	1,987,284	(1,412)	100	1,697,863	1,768,584	(70,721)
Capital	94,226	115,604	(21,378)	123	16,772	65,840	(49,068)
Total	3,825,571	3,819,179	6,392	100	3,244,479	3,487,391	(242,912)
ECONOMIC CLASSIFICATION							
Current	3,702,893	3,674,474	28,419	99	3,207,713	3,415,060	(207,347)
Personnel	2,328,650	2,294,323	34,327	99	2,052,688	2,147,803	(95,115)
Transfer payments	271,800	282,608	(10,808)	104	248,746	278,675	(29,929)
Other	1,102,443	1,097,543	4,900	100	906,279	988,582	(82,303)
Capital	122,678	144,705	(22,027)	118	36,766	72,331	(35,565)
Transfer payments	-	-	-	-	-	-	-
Acquisition of capital assets	85,995	110,399	(24,404)	128	36,591	38,509	(1,918)
Other	36,683	34,306	2,377	-	175	33,822	(33,647)
Total	3,825,571	3,819,179	6,392	100	3,244,479	3,487,391	(242,912)
STANDARD ITEM							
Personnel	2,365,322	2,327,701	37,621	98	2,052,688	2,181,254	(128,566)
Administrative	104,417	104,660	(243)	100	96,942	122,901	(25,959)
Inventories	665,617	670,397	(4,780)	101	532,519	537,383	(4,864)
Machinery and equipment	116,498	135,885	(19,387)	117	66,336	63,707	2,629
Land and buildings	7,659	7,186	473	94	5,818	7,399	(1,581)
Professional and special services	293,488	290,295	3,193	99	239,987	295,237	(55,250)
Transfer payments	271,800	282,608	(10,808)	104	248,746	278,675	(29,929)
Miscellaneous	770	447	323	58	1,443	835	608
Special functions	0	0	0	0	0	0	0
Total	3,825,571	3,819,179	6,392	100	3,244,479	3,487,391	(242,912)

APPROPRIATION STATEMENTS for the year ended 31 March 2003

	2002/03				2001/02		
	Revised Allocation	Actual Expenditure	Savings (Excess)	% Spent	Revised Allocation	Actual Expenditure	Savings (Excess)
	R'000	R'000	R'000		R'000	R'000	R'000
PROGRAMME 3 - PROVINCIAL HOSPITAL SERVICES							
SUB - PROGRAMME							
Provincial Regional							
Hospitals	1,530,427	1,646,136	(115,709)	108	1,658,157	1,660,625	(2,468)
Current	1,444,580	1,576,155	(131,575)	109	1,636,812	1,606,566	30,246
Capital	85,847	69,981	15,866	82	21,345	54,059	(32,714)
Provincial Specialised							
Hospitals	387,409	381,677	5,732	99	369,472	379,108	(9,636)
Current	375,056	369,578	5,478	99	361,210	368,095	(6,885)
Capital	12,353	12,099	254	98	8,262	11,013	(2,751)
Total	1,917,836	2,027,813	(109,977)	106	2,027,629	2,039,733	(12,104)
ECONOMIC CLASSIFICATION							
Current	1,819,636	1,945,733	(126,097)	107	1,998,022	1,974,661	23,361
Personnel	1,262,543	1,319,947	(57,404)	105	1,452,334	1,449,751	2,583
Transfer payments	99,272	100,234	(962)	101	83,277	87,904	(4,627)
Other	457,821	525,552	(67,731)	115	462,411	437,006	25,405
Capital	98,200	82,080	16,120	84	29,607	65,072	(35,465)
Transfer payments	-	-	-	-	-	-	-
Acquisition of capital assets	58,657	55,175	3,482	94	29,000	34,369	(5,369)
Other	39,543	26,905	12,638	68	607	30,703	(30,096)
Total	1,917,836	2,027,813	(109,977)	106	2,027,629	2,093,733	(12,104)
STANDARD ITEM							
Personnel	1,302,076	1,346,309	(44,233)	103	1,452,334	1,479,516	(27,182)
Administrative	20,567	24,377	(3,810)	119	26,507	22,723	3,784
Inventories	305,873	355,350	(49,477)	116	292,387	295,251	(2,864)
Machinery and equipment	71,218	64,001	7,217	90	36,200	41,534	(5,334)
Land and buildings	-	-	-	-	-	-	-
Professional and special services	118,830	137,541	(18,711)	116	136,895	112,755	24,140
Transfer payments	99,272	100,234	(962)	101	83,277	87,904	(4,627)
Miscellaneous	-	1	(1)	-	29	50	(21)
Special functions	-	-	-	-	-	-	-
Total	1,917,836	2,027,813	(109,977)	106	2,027,629	2,039,733	(12,104)

APPROPRIATION STATEMENTS for the year ended 31 March 2003

	2002/03				2001/02		
	Revised	Actual	Savings	%	Revised	Actual	Savings
	Allocation	Expenditure	(Excess)	Spent	Allocation	Expenditure	(Excess)
	R'000	R'000	R'000		R'000	R'000	R'000
PROGRAMME 4 - CENTRAL HOSPITAL SERVICES							
SUB - PROGRAMME							
Central Hospital Services	920,713	969,209	(48,496)	105	513,343	555,778	(42,435)
Current	718,392	753,553	(35,161)	105	510,322	551,802	(41,480)
Capital	202,321	215,656	(13,335)	107	3,021	3,976	(955)
Central Dental Services	7,974	6,840	1,134	86	6,891	7,228	(337)
Current	7,707	6,643	1,064	86	6,831	6,919	(88)
Capital	267	197	70	74	60	309	(249)
Total	928,687	976,049	(47,362)	105	520,234	563,006	(42,772)
ECONOMIC CLASSIFICATION							
Current	726,099	760,195	(34,096)	105	517,153	558,722	(41,569)
Personnel	377,969	373,897	4,072	99	344,493	363,830	(19,337)
Transfer payments	-	-	-	-	-	-	-
Other	348,130	386,298	(38,168)	111	172,660	194,892	(22,232)
Capital	202,588	215,854	(13,266)	107	3,081	4,284	(1,203)
Transfer payments	-	-	-	-	-	-	-
Acquisition of capital assets	17,577	16,908	669	96	3,081	1,879	1,202
Other	185,011	198,946	(13,935)	108	-	2,405	(2,405)
Total	928,687	976,049	(47,362)	105	520,234	563,006	(42,772)
STANDARD ITEM							
Personnel	385,181	378,274	6,907	98	344,493	366,171	(21,678)
Administrative	6,232	7,438	(1,206)	119	6,771	6,523	248
Inventories	149,141	145,616	3,525	98	107,257	110,219	(2,962)
Machinery and equipment	19,232	19,034	198	99	4,823	5,265	(442)
Land and buildings	-	-	-	-	-	-	-
Professional and special services	368,895	425,600	(56,705)	115	56,880	74,828	(17,948)
Transfer payments	-	-	-	-	-	-	-
Miscellaneous	6	87	(81)	-	10	-	10
Special functions	-	-	-	-	-	-	-
Total	928,687	976,049	(47,362)	105	520,234	563,006	(42,772)

APPROPRIATION STATEMENTS for the year ended 31 March 2003

	2002/03				2001/02		
	Revised	Actual	Savings	%	Revised	Actual	Savings
	Allocation	Expenditure	(Excess)	Spent	Allocation	Expenditure	(Excess)
	R'000	R'000	R'000		R'000	R'000	R'000
PROGRAMME 5 - HEALTH SCIENCES							
SUB - PROGRAMME							
Nursing Training Colleges	148,527	147,330	1,197	99	125,719	126,927	(1,208)
Current	148,527	147,328	1,199	99	125,719	126,912	(1,193)
Capital	-	2	(2)	-	-	15	(15)
Ambulance Training College	3,815	3,851	(36)	98	2,329	3,050	(721)
Current	3,815	3,851	(36)	98	2,329	3,050	(721)
Capital	-	-	-	-	-	-	-
Training Other	19,659	20,919	(1,260)	106	14,514	14,363	151
Current	19,659	20,919	(1,260)	106	14,514	14,363	151
Capital	-	-	-	-	-	-	-
Bursaries	26,810	27,555	(745)	103	20,400	22,701	(2,301)
Current	26,810	27,555	(745)	103	20,400	22,701	(2,301)
Capital	-	-	-	-	-	-	-
Total	198,811	199,655	(844)	0	162,962	167,041	(4,079)
ECONOMIC CLASSIFICATION							
Current	198,811	199,653	(842)	0	162,962	167,026	(4,064)
Personnel	147,970	150,142	(2,172)	101	126,030	128,952	(2,922)
Transfer payments	-	-	-	-	-	-	-
Other	50,841	49,511	1,330	97	36,932	38,074	(1,142)
Capital	-	2	(2)	0	-	15	(15)
Transfer payments	-	-	-	-	-	-	-
Acquisition of capital assets	-	2	(2)	-	-	15	(15)
Other	-	-	-	-	-	-	-
Total	198,811	199,655	(844)	0	162,962	167,041	(4,079)
STANDARD ITEM							
Personnel	147,970	150,142	(2,172)	-	126,030	128,952	(2,922)
Administrative	40,708	41,945	(1,237)	-	27,865	29,344	(1,479)
Inventories	5,364	4,187	1,177	-	3,920	3,665	255
Machinery and equipment	1,568	1,868	(300)	-	545	473	72
Land and buildings	-	-	-	-	-	-	-
Professional and special services	3,201	1,513	1,688	-	4,602	4,607	(5)
Transfer payments	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Special functions	-	-	-	-	-	-	-
Total	198,811	199,655	(844)	0	162,962	167,041	(4,079)

APPROPRIATION STATEMENTS for the year ended 31 March 2003

	2002/03				2001/02		
	Revised Allocation	Actual Expenditure	Savings (Excess)	%	Revised Allocation	Actual Expenditure	Savings (Excess)
	R'000	R'000	R'000	Spent	R'000	R'000	R'000
PROGRAMME 6 - AUXILIARY AND ASSOCIATED SERVICES							
SUB - PROGRAMME							
MEDVAS Trading Account	5,000	5,000	-	100	1,000	-	1,000
Current	-	-	-	-	-	-	-
Capital	5,000	5,000	-	100	1,000	-	1,000
Physical Facilities							
Management	398,598	324,010	74,588	81	657,359	642,208	15,151
Current	-	222	(222)	-	879	124	755
Capital	398,598	323,788	74,810	81	656,480	642,084	14,396
Total	403,598	329,010	74,588	82	658,359	642,208	16,151
ECONOMIC CLASSIFICATION							
Current	-	222	(222)	-	879	125	754
Personnel	-	-	-	-	263	-	263
Transfer payments	-	-	-	-	-	-	-
Other	-	222	(222)	-	616	125	491
Capital	403,598	328,788	74,810	81	657,480	642,083	15,397
Transfer payments	5,000	5,000	-	100	1	-	1
Acquisition of capital assets	233,278	223,055	10,223	96	186,860	188,740	(1,880)
Other	165,320	100,733	64,587	-	470,619	453,343	17,276
Total	403,598	329,010	74,588	81	658,359	642,208	16,151
STANDARD ITEM							
Personnel	-	-	-	-	263	-	263
Administrative	-	4	(4)	-	114	67	47
Inventories	18,536	14,625	3,911	79	16,288	14,116	2,172
Machinery and equipment	13,820	3,844	9,976	28	32,466	28,414	4,052
Land and buildings	219,458	219,274	184	100	154,414	160,441	(6,027)
Professional and special services	146,784	86,263	60,521	59	454,813	439,170	15,643
Transfer payments	5,000	5,000	-	100	1	-	1
Miscellaneous	-	-	-	-	-	-	-
Special functions	-	-	-	-	-	-	-
Total	403,598	329,010	74,588	82	658,359	642,208	16,151

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2003

ANNEXURE 1

STATEMENT OF CONDITIONAL GRANTS RECEIVED BY PROVINCIAL DEPARTMENTS

	Allocation R'000	Actual Expenditure		Variance R'000
		Current R'000	Capital R'000	
Health Professions Training and Development	164,755	164,755	-	-
HIV/AIDS Health	54,470	112,797	-	(58,327)
Hospital Management and Quality Improvement	19,000	19,609	-	(609)
Hospital Revitalisation	111,000	-	119,377	(8,377)
Integrated Nutrition Programme	136,337	162,509	-	(26,172)
National Tertiary Services	488,575	976,050	-	(487,475)
Cholera Epidemic	147,000	147,000	-	-
Provincial Infrastructure	46,358	-	55,432	(9,074)
	1,167,495	1,582,720	174,809	(590,034)

The over expenditure has been funded from the department's voted funds as per the individual sub-programmes

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2003

ANNEXURE 2A

STATEMENT OF TRANSFER PAYMENTS BY PROVINCIAL DEPARTMENTS TO MUNICIPALITIES

Municipality	Allocation R'000	Actual Transfer R'000	Amount not transferred R'000	% Transferred
Bergville	441	402	39	91
Cathkin Peak	51	29	22	57
Dannhauser	479	474	5	99
Dolphin Coast	584	562	22	96
Dundee	773	693	80	90
Durban (N/S/C)	12,489	12,116	373	97
Empangeni	662	699	(37)	106
Eshowe	601	612	(11)	102
Estcourt	521	551	(30)	106
Gingindlovu	336	337	(1)	100
Glencoe	493	492	1	100
Greytown	800	658	142	82
Harding Clinic	381	378	3	99
Howick/ Hilton	764	743	21	97
Inner West	6,812	6,716	96	99
Ixopo	20	15	5	75
Kokstad	685	685	-	100
Kwadukuza	649	407	242	63
Ladysmith	1,647	1,645	2	100
Mandeni/Tugela Rail	668	672	(4)	101
Margate/Shelly Beach	734	734	-	100
Matatiele	674	674	-	100
Melmoth	263	263	-	100
Mooi River	409	409	-	100
Mtunzini	7	5	2	71
Newcastle	771	649	122	84
Nkwanzi/Darnall	35	14	21	40
North	1,713	1,713	-	100
Outer West	808	785	23	97
Paulpietersburg	542	449	93	83
Pennington	213	212	1	100
Pietermaritzburg	7,153	7,742	(589)	108
Pongola	20	20	-	100
Port Shepstone	1,309	1,309	-	100
Richards Bay	501	568	(67)	113
Richmond	31	27	4	87
Scottburgh/Umzinto	589	589	-	100
South	1,686	1,698	(12)	101
Ulundi	35	44	(9)	126
Umkomaas/Craigieburn	511	479	32	94
Umsekeleli	204	192	12	94
Umshwathi	322	322	-	100
Utrecht	18	17	1	94
Vryheid	385	304	81	79
	48,789	48,104	685	99

These transfer payments are utilised for Health Services

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2003

ANNEXURE 2B

STATEMENT OF TRANSFER PAYMENTS BY PROVINCIAL DEPARTMENTS AS SUBSIDIES

Beneficiary	Allocation	Actual Transfer	Amount not transferred	% Transferred
	R'000	R'000	R'000	
Austerville Halfway House	177	177	-	100
Azalea House	197	197	-	100
Balgowan Clinic	59	59	-	100
Bekimpilo Trust Clinic	3,385	3,385	-	100
Benedictine Clinic	141	141	-	100
Charles James Hospital (Santa)	5,473	5,473	-	100
Club 47	49	49	-	100
Day Care Club 91	45	45	-	100
Day Care Club 92	61	61	-	100
District Director Dc25	-	82	(82)	-
District Manager Dc27	-	(3)	3	-
Don Mackenzie Hospital (Santa)	5,802	5,802	-	100
Doris Goodwin Special Hospital	3,473	3,473	-	100
Dustan Farrel Hospital (Santa)	5,171	5,171	-	100
Durban School For The Deaf	103	110	(7)	107
Ekuhlengeni Sanatorium	39,313	39,313	-	100
Ekukhanyeni Clinic	99	99	-	100
Elandskop Oblate Clinic	180	180	-	100
Enkumane Clinic	152	152	-	100
Fosa Hospital (Santa)	3,963	3,963	-	100
Happy Hour Amaoti	64	64	-	100
Happy Hour Durban North	24	24	-	100
Happy Hour Kwaximba	30	30	-	100
Happy Hour Mariannhill	75	75	-	100
Happy Hour Merebank	28	28	-	100
Happy Hour Mpumalanga	93	93	-	100
Happy Hour Ninikhona	33	33	-	100
Happy Hour Nyangwini	40	40	-	100
Happy Hour Overport	31	31	-	100
Happy Hour Phoenix	31	31	-	100
Ho HIV/Aids Support	1,700	1,950	(250)	115
Ikhwezi Cripple Care	17	17	-	100
Ikhwezi Dns	91	91	-	100
Jewel House	71	71	-	100
Joan Tennant House	120	120	-	100
John Peattie House	425	425	-	100
Jona Vaughn Centre	893	893	-	100
Khotsong Santa Centre	106	106	-	100
Lynn House	183	182	1	99
Madeline Manor	335	336	(1)	100
Masada Workshop	13	13	-	100
Matikwe Oblate Clinic	265	265	-	100
McCords Hospital	31,896	31,755	141	100
Mhlumayo Oblate Clinic	299	299	-	100
Montebello Chronic Sick Home	2,040	1,830	210	90

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2003

	Allocation	Actual Transfer	Amount not transferred	%
	R'000	R'000	R'000	Transferred
Mosvold Hospital	-	1	(1)	-
Mountain View Special Hospital	2,370	2,370	-	100
Noyi Bazi Oblate Clinic	115	115	-	100
Oakford Clinic	484	360	124	74
Pongola Hospital	1,218	1,217	1	100
Pongola/Jozini	13,078	20,239	(7,161)	155
R/O Nutritional Service	60,193	46,240	13,953	77
Regional Director (Ethekeweni)	26,150	42,698	(16,548)	163
Regional Director DC21	13,731	13,730	1	100
Regional Director DC22	14,504	14,504	-	100
Regional Director DC28	12,922	17,819	(4,897)	138
Richmond Chest Spec Hospital	25,898	23,837	2,061	92
Rosary Oblate Clinic	570	570	-	100
Santa Mot Uthukela Ladysmith	90	90	-	100
Santa Motiv. Indlovu/Pietermaritzburg	207	207	-	100
Santa Motivators	89	89	-	100
Santa Motivators DC21	82	82	-	100
Santa Motivators DC25	65	70	(5)	108
Santa Motivators DC28	60	55	5	92
Scadifa Centre	349	349	-	100
Siloah Spec Hospital	3,883	3,883	-	100
Siyakha	509	509	-	100
Sparks Estate	541	541	-	100
St Lukes Home	248	248	-	100
St Mary's Hospital Marianhill	38,033	38,037	(4)	100
Sunfield Home	66	65	1	98
Umlazi Halfway House	82	82	-	100
	322,283	334,738	(12,455)	104

These transfer payments are utilised for Health Services

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2003

ANNEXURE 3

STATEMENT OF HOUSING GUARANTEES ISSUED

Guaranteed Institution	Opening Balance as at 01/04/2002 R'000	Guaranteed issued during the year R'000	Guarantees Paid/ Cancelled/ Reduced during the year R'000	Closing Balance 31/03/2003 R'000
ABSA	10,061	2,066	(153)	11,974
BOE Bank	6,107	79	(613)	5,573
BOE Bank (Boland)	18	14	-	32
Cashbank	198	-	-	198
FBC Fidelity Bank	943	-	(133)	810
Firststrand Bank	5,997	1,135	-	7,132
GBS Mutual Bank	16	-	-	16
Green Start H/L	14	27	-	41
Ithala Limited	855	233	(34)	1,054
Nedbank Limited	478	88	-	566
Old Mutual Bank	17	-	-	17
Permanent Bank	8,828	2,314	(30)	11,112
Saambou Bank	4,665	152	(346)	4,471
Standard Bank	8,801	697	(295)	9,203
The African Bank	31	13	-	44
	47,027	6,818	(1,604)	52,241

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2003

ANNEXURE 4

PHYSICAL ASSET MOVEMENT SCHEDULE (excludes inventories)

	Opening Balance	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000
2002/03 Financial Year				
LAND AND BUILDINGS	-	565,094	(1)	565,093
Dwellings	-	1,722	-	1,722
Non residential buildings	-	159,598	-	159,598
Land	-	-	(1)	(1)
Improvements and maintenance	-	402,928	-	402,933
Other	-	841	-	841
MACHINERY AND EQUIPMENT	-	186,540	(48)	186,492
Computer equipment	-	12,115	-	12,115
Furniture and office equipment	-	9,799	(48)	9,751
Other machinery and equipment	-	-	-	-
- Medical	-	114,047	-	114,047
- Other	-	4,391	-	4,391
Transport Assets	-	46,188	-	46,188
	-	751,634	(49)	751,585
2001/02 Financial Year				
LAND AND BUILDINGS	-	668,637	-	668,637
Dwellings	-	4,326	-	4,326
Non residential buildings	-	102,099	-	102,099
Land	-	2,678	-	2,678
Improvements and maintenance	-	559,534	-	559,534
Other	-	-	-	-
MACHINERY AND EQUIPMENT	-	100,388	(261)	100,127
Computer equipment	-	7,843	-	7,843
Furniture and office equipment	-	25,870	(261)	25,609
Other machinery and equipment	-	-	-	-
- Medical	-	33,428	-	33,428
- Other	-	3,121	-	3,121
Transport Assets	-	30,126	-	30,126
	-	769,025	(261)	768,764

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2003

Opening balance

As no detailed fixed asset registers with values have been maintained over the years the opening balances have been included at a zero value, in accordance with National Treasury Guidelines.

Additions for the year

This is the capital expenditure, per standard item excluding the inventory, as per the notes to the financial statements. Inventory is excluded as this is disclosed separately as part of the inventory on hand. The capital expenditure for personnel, administration and professional and special services is incurred in the improvement and maintenance of the hospitals and clinics

Disposals for the year

This is per the income statement and it is the total proceeds received and not the original cost of the asset as no detailed fixed asset registers were maintained.

Replacement Value - Land & Buildings

A physical verification of 74 hospitals and 365 clinics was carried out to verify the location and the size. An average current construction cost per square metre was applied to the size to arrive at the estimated value. This estimated value is the current replacement value and does not take into account the current condition of the buildings or its depreciated value and therefore this value is overstated.

Net Realisable Value - Land & Buildings

During the physical verification of the buildings each building was rated 1 to 5 on the current condition of the building to assess whether routine maintenance, major renovations should be carried out, or the building be demolished. This rating was then applied to the replacement value to arrive at a net realisable value for the building.

Replacement Value - Machinery & Equipment

Ratios were determined, based on past experience and information from National Department of Health, in respect to equipment value and building value. These ratios were then applied to the replacement value of the buildings and equipment.

Net Realisable Value - Machinery & Equipment

All hospitals and clinics carried out a physical verification of the equipment, which included medical equipment, office furniture, computers, vehicles and ward equipment. This was valued at actual cost and in certain instances a written down value was applied. Only 85 % of the hospitals and clinics submitted the information. In the absence of any further information this is the best estimate.

**ANNUAL FINANCIAL STATEMENTS FOR PROVINCIAL MEDICAL
SUPPLY CENTRE for the year ended 31st March 2003**

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PROVINCIAL MEDICAL SUPPLY CENTRE MANAGEMENT REPORT for the year ended 31 MARCH 2003

1.0 General Review of the state of financial affairs.

The Medical Supply Centre has shown a trading surplus of R 8,05m for the period ended 31 March 2003.

This has mainly been due to the effect of increased trading activities resulting in an annual turnover of

R 532,714m, being an increase of 36% over the prior year. Overheads and operating expenses only

increased by 13% for the same period. The main factors contributing to the increase in trading activities were :

1.1 Price increases from suppliers on inventories purchased, averaging 30% for the year largely as a result of the exchange rate fluctuations experienced during the year.

1.2 A significant increase in the number of clients serviced, over the previous year.

2.0 Services rendered by the department

2.1 The procurement and delivery of pharmaceuticals as listed by National Health Pharmaceutical Services and Provincial Health Pharmaceutical Services

2.2 The tariff policy is structured as follows:

Surcharge of 6% - levied on all pharmaceutical items procured by and received at PMSC, and thereafter delivered to the institutions.

Surcharge of 5% - levied on all pharmaceutical items procured by

PMSC and delivered directly by the supplier to the said institutions.

Surcharge of 12% - levied on all pharmaceuticals that involve the use of PMSC human resources in terms of repacking, manufacturing etc.

3.0 Capacity constraints

The limited availability of warehousing and manufacturing space.

4.0 New/proposed activities

4.1 The client base currently being serviced has shown an increase of some 86% over the prior year, with delivery services being extended to an additional 300 clinics.

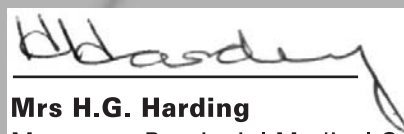
4.2 This has been a direct result of fulfilling the Health Department's mission statement, which incorporates making health services available to all.

4.3 This increase has obviously affected warehousing space and available human resources.

4.4 The financial effects have been dealt with in Note 1. Above.

Approval :

The annual financial statements as set out in this document have been approved by the Accounting Officer :



Mrs H.G. Harding

Manager : Provincial Medical Supply Centre
17 July 2003.

PROVINCIAL MEDICAL SUPPLY CENTRE STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS for the year ended 31 MARCH 2003

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material respects, 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), the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act and the Division of Revenue Act, Act 5 of 2002.

1 Basis of preparation

The financial statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The reporting entity is in transition from reporting on a cash basis of accounting to reporting on an accrual basis of accounting. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid. Under the accrual basis of accounting transactions and other events are recognised when incurred and not when cash is received or paid.

2 Revenue

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

Interest and dividends received are recognised upon receipt of the funds, and no accrual is made for interest or dividends receivable from the last

receipt date to the end of the reporting period. They are recognised as revenue in the financial statements of the department and then transferred to the National/Provincial Revenue Fund.

3 Donor aid

Donor Aid is recognised in the income statement in accordance with the cash basis of accounting.

4 Current expenditure

Current expenditure is recognised in the income statement when the payment is made.

5 Unauthorised, irregular, and fruitless and wasteful expenditure

Unauthorised expenditure means:

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

Unauthorised expenditure is treated as a current asset in the balance sheet until such expenditure is recovered from a third party or funded from future voted funds.

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

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

Irregular expenditure is treated as expenditure in the income statement.

PROVINCIAL MEDICAL SUPPLY CENTRE STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS for the year ended 31 MARCH 2003

Fruitless and wasteful expenditure means expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful must be recovered from a responsible official (a debtor account should be raised), or the vote if responsibility cannot be determined.

6 Debts written off

Debts are written off when identified as irrecoverable. No provision is made for irrecoverable amounts.

7 Capital expenditure

Expenditure for physical items on hand on 31 March 2003 to be consumed in the following financial year, is written off in full when they are received and are accounted for as expenditure in the income statement. Physical assets (fixed assets and movable assets) acquired are expensed i.e. written off in the income statement when the payment is made.

8 Investments

Marketable securities are carried at market value. Market value is calculated by reference to stock exchange quoted selling prices at the close of business on the balance sheet date.

Non-current investments excluding marketable securities are shown at cost and adjustments are made only where in the opinion of the directors, the investment is impaired. Where an investment has been impaired, it is recognised as an expense in the period in which the impairment is identified.

Increases in the carrying amount of marketable securities classified as non-current assets are credited to revaluation and other reserves in shareholders' equity. Decreases that offset previous increases of the same marketable security are charged to the income statement.

Increases/decreases in the carrying amount of marketable securities classified as current assets are credited/charged to the income statement.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the income statement. On disposal of a marketable security classified as a non-current asset, amounts in revaluation and other reserves relating to that marketable security, are transferred to retained earnings.

9 Investments in controlled entities

Investments in controlled entities are those entities where the reporting entity has the ability to exercise any of the following powers to govern the financial and operating policies of the entity in order to obtain benefits from its activities:

- To appoint or remove all, or the majority of, the members of that entity's board of directors or equivalent governing body;
 - To appoint or remove the entity's chief executive officer;
 - To cast all, or the majority of, the votes at meetings of that board of directors or equivalent governing body; or
 - To control all, or the majority of, the voting rights at a general meeting of that entity.
- Investments in controlled entities are shown at cost.

10 Receivables

Receivables are not normally recognised under the cash basis of accounting. However, receivables included in the balance sheet arise from cash payments that are recoverable from another party.

Receivables for services delivered are not recognised in the balance sheet as a current asset or as income in the income statement, as the financial statements are prepared on a cash basis of accounting, but are disclosed separately in the notes to enhance the usefulness of the financial statements.

PROVINCIAL MEDICAL SUPPLY CENTRE STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS for the year ended 31 MARCH 2003

11 Payables

Payables are not normally recognised under the cash basis of accounting. However, payables included in the balance sheet arise from cash receipts that are due to either the Provincial/ National Revenue Fund or another party.

12 Provisions

A provision is a liability of uncertain timing or amount. Provisions are not normally recognised under the cash basis of accounting, but are disclosed separately in the notes to enhance the usefulness of the financial statements.

13 Lease commitments

Lease commitments for the period remaining from the accounting date until the end of the lease contract are disclosed as a note to the financial statements. These commitments are not recognised in the balance sheet as a liability or as expenditure in the income statement as the financial statements are prepared on the cash basis of accounting.

14 Accruals

This amount represents goods/services that have been delivered, but no invoice has been received from the supplier at year end, OR an invoice has been received but remains unpaid at year end. These amounts are not recognised in the balance sheet as a liability or as expenditure in the income statement as the financial statements are prepared on a cash basis of accounting, but are however disclosed.

15 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits is expensed in the income statement in the reporting period that the payment is made. Short-term employee benefits, that give rise to a present legal or constructive obligation,

are deferred until they can be reliably measured and then expensed. Details of these benefits and the potential liabilities are disclosed as a note to the financial statements and are not recognised in the income statement.

Termination benefits

Termination benefits are recognised and expensed only when the payment is made.

Retirement benefits

The department provides retirement benefits for its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when money is paid to the fund. 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/ Provincial Revenue Fund and not in the financial statements of the employer department.

Medical benefits

The department provides medical benefits for (certain/all) its employees through defined benefit plans. These benefits are funded by employer and/or employee contributions. Employer contributions to the fund are expensed when money is paid to the fund. No provision is made for medical benefits in the financial statements of the department. Retirement medical benefits for retired members are expensed when the payment is made to the fund.

16 Capitalisation reserve

The capitalisation reserve represents an amount equal to the value held in a suspense account by Provincial Treasury on behalf of Provincial Medical Supply Centre, for the procurement of pharmaceuticals.

PROVINCIAL MEDICAL SUPPLY CENTRE STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS for the year ended 31 MARCH 2003

17 Recoverable revenue

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

18 Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year. The comparative figures shown in these financial statements are limited to the figures shown in the previous year's audited financial statements and such other comparative figures that the department may reasonably have available for reporting.

PROVINCIAL MEDICAL SUPPLY CENTRE
Annual Financial Statements for the year ended 31 March 2003

INCOME STATEMENT (STATEMENT OF FINANCIAL PERFORMANCE)
for the year ended 31 March 2003

	Note	2002/03 R'000	2001/02 R'000
REVENUE			
Non voted funds			
Other revenue to be surrendered to the revenue fund	1	532,708	392,480
		532,708	392,480
TOTAL REVENUE			
		532,708	392,480
EXPENDITURE			
Current			
Personnel	2	9,151	8,676
Administrative		6,408	5,527
Inventories	3	504,168	373,609
Machinery and Equipment	4	115	91
Land and buildings	5	925	994
Professional and special services	6	2,592	2,262
TOTAL CURRENT EXPENDITURE			
		994	905
Capital			
Machinery and Equipment	4	994	905
TOTAL CAPITAL EXPENDITURE			
		994	905
TOTAL EXPENDITURE			
		524,353	392,064
NET SURPLUS /(DEFICIT)			
		8,355	416
NET SURPLUS /(DEFICIT) FOR THE YEAR			
	7	8,355	416

PROVINCIAL MEDICAL SUPPLY CENTRE
Annual Financial Statements for the year ended 31 March 2003

BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
at 31 March 2003

	Note	2002/03 R'000	2001/02 R'000
ASSETS			
Current assets		40,522	30,193
Provincial Treasury	8	16,492	4,729
Receivables	9	-	33
Inventory	3	24,030	25,431
TOTAL ASSETS		40,522	30,193
LIABILITIES			
Current liabilities		10,228	3,647
Revenue funds to be surrendered	11	8,355	416
Payables	12	1,873	3,231
TOTAL LIABILITIES		10,228	3,647
NET ASSETS/LIABILITES		30,294	26,546
EQUITY		30,294	26,546
Capitalisation reserve	16	30,000	25,000
Medvas Surpluses	16	294	1,546
TOTAL EQUITY		30,294	26,546

PROVINCIAL MEDICAL SUPPLY CENTRE
Annual Financial Statements for the year ended 31 March 2003

STATEMENT OF CHANGES IN NET ASSETS/EQUITY
for the year ended 31 March 2003

	Note	2002/03 R'000	2001/02 R'000
Capitalisation reserve			
Opening balance	16	25,000	25,000
Transfers		5,000	-
Closing balance		30,000	25,000
TOTAL EQUITY		30,000	25,000

**PROVINCIAL MEDICAL SUPPLY CENTRE
Annual Financial Statements for the year ended 31 March 2003**

**CASH FLOW STATEMENT
for the year ended 31 March 2003**

	Note	2002/03 R'000	2001/02 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash flow generated by operating activities	13	9,349	1,321
Cash generated (utilised) to (increase)/decrease working capital	14	3,824	2,794
Voted funds and Revenue funds surrendered	15	-416	-4,524
Net cash flow available from operating activities		12,756	-409
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure	4	994	904
Net cash flows from operating and investing activities		11,762	-1,313
Net increase/(decrease) in cash and cash equivalents		11,762	-1,313
Cash and cash equivalents at beginning of period		4,729	6,042
Cash and cash equivalents at end of period		16,492	4,729

PROVINCIAL MEDICAL SUPPLY CENTRE
Annual Financial Statements for the year ended 31 March 2003

APPROPRIATION STATEMENT
for the year ended 31 March 2003

Programme	Adjusted Appropriation R'000	2002/03				2001/02		
		Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
1 Administration								
Current			15,370	15,559	(189)	101.2%	16,170	14,203
2 Procurement Management, Financial Systems and PFMA			445,994	507,800	(61,806)	113.9%	367,200	376,866
Capital			1,675	994	681	59.3%	6,700	995
Total	0	0	463,039	524,353	(61,314)	113.2%	390,070	392,064

PROVINCIAL MEDICAL SUPPLY CENTRE
Annual Financial Statements for the year ended 31 March 2003

APPROPRIATION STATEMENT
for the year ended 31 March 2003

		2002/03					2001/02	
Direct charge against the National Revenue Fund	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
1 Provinces Equitable Share			463,039	524,353	(61,314)	113.2%	390,070	392,064
Total	0	0	463,039	524,353	(61,314)	113.2%	390,070	392,064

		2002/03					2001/02	
Economic classification	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
Current								
Personnel			10,530	9,151	1,379	86.9%	11,020	8,676
Other			450,834	514,208	(63,374)	114.1%	372,350	382,393
Acquisition of capital assets			1,675	994	681	59.3%	6,700	995
Total	0	0	463,039	524,353	(61,314)	113.2%	390,070	392,064

		2002/03					2001/02	
Standard item classification	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
Personnel			10,530	9,151	1,379	86.9%	11,020	8,676
Administrative			4,840	6,408	(1,568)	132.4%	5,150	5,527
Inventories			442,450	504,168	(61,718)	113.9%	360,500	373,610
Equipment			1,675	1,109	566	66.2%	6,700	995
Land and buildings			881	925	(44)	105.0%	1,550	994
Professional and special services			2,498	2,592	(94)	103.8%	5,150	2,262
Miscellaneous			165	0	165	0.0%		
Total	0	0	463,039	524,353	(61,314)	113.2%	390,070	392,064

PROVINCIAL MEDICAL SUPPLY CENTRE Annual Financial Statements for the year ended 31 March 2003

DETAIL PER PROGRAMME 7 for the year ended 31 March 2003

Programme per subprogramme	Adjusted Appropriation R'000	2002/03					2001/02	
		Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
7.1 Subprogramme 1			461,364	523,359	(61,995)	113.4%	383,370	391,069
Capital			1,675	994	681	59.3%	6,700	995
Total	0	0	463,039	524,353	(61,314)	113.2%	390,070	392,064

Economic classification	Adjusted Appropriation R'000	2002/03					2001/02	
		Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
Current Personnel			10,530	9,151	1,379	86.9%	11,020	8,676
Other			450,834	514,208	(63,374)	114.1%	372,350	382,393
Capital Acquisition of capital assets			1,675	994	681	59.3%	6,700	995
Total	0	0	463,039	524,353	(61,314)	113.2%	390,070	392,064

Standard item classification	Adjusted Appropriation R'000	2002/03					2001/02	
		Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual Expenditure R'000
Personnel			10,530	9,151	1,379	86.9%	11,020	8,676
Administrative			4,840	6,408	(1,568)	132.4%	5,150	5,527
Inventories			442,450	504,168	(61,718)	113.9%	360,500	373,610
Equipment			1,675	1,109	566	66.2%	6,700	995
Land and buildings			881	925	(44)	105.0%	1,550	994
Professional and special services			2,498	2,592	(94)	103.8%	5,150	2,262
Miscellaneous			165	0	165	0.0%		
Total	0	0	463,039	524,353	(61,314)	113.2%	390,070	392,064

PROVINCIAL MEDICAL SUPPLY CENTRE
Annual Financial Statements for the year ended 31 March 2003

1 Reconciliation of appropriation statement to income statement:

	2002/03 R'000	2001/02 R'000
Total expenditure per Appropriation Statement	524,353	392,064
Actual Expenditure per Income Statement	524,353	392,064

PROVINCIAL MEDICAL SUPPLY CENTRE
Notes to the Annual Financial Statements
for the year ended 31 March 2003

1 Other revenue to be surrendered to the revenue fund 2002/03

Description	Note	2002/03 R'000	2001/02 R'000
Other		5	17
Medvas		532,703	392,463
		<u>532,708</u>	<u>392,480</u>

2 Personnel

Current expenditure

Basic salary costs		7,746	7,298
Pension contributions		921	906
Medical aid contributions		484	402
Other salary related costs		-	70
		<u>9,151</u>	<u>8,676</u>

	2002/3	2001/2
Average number of employees	122	140

Total Personnel Costs

9,151 **8,676**

3 Inventories

3.1 Current expenditure

Inventories purchased during the year

Health Central Procurement Stores		504,168	373,609
		<u>504,168</u>	<u>373,609</u>
Total cost of inventories		<u>504,168</u>	<u>373,609</u>

**3.2 Inventories on hand at year end
(for disclosure purposes only)**

Health Central Procurement Stores		21,439	23,321
Manufacturing Laboratories		2,591	2,110
		<u>24,030</u>	<u>25,431</u>

Costing method used Price reaveraging

The value of inventory on hand disclosed is for the main store.

PROVINCIAL MEDICAL SUPPLY CENTRE
Notes to the Annual Financial Statements
for the year ended 31 March 2003

	Note	2002/03 R'000	2001/02 R'000
4 Machinery and Equipment			
Current (Rentals, maintenance and sundry net of cash discounts)		115	91
Capital	4.1	994	905
Total current and capital expenditure		1,109	996
4.1 Capital machinery and equipment analysed as follows:			
Computer equipment		509	451
Furniture and office equipment		266	325
Other machinery and equipment		77	129
Transport		142	
		994	905
5 Land and buildings			
Current expenditure (Net of cash discounts)			
Maintenance		50	46
Rental		875	948
Total current expenditure		925	994
Total current and capital expenditure		925	994
6 Professional and special services			
Current expenditure			
Contractors		2,043	1,714
Computer services		139	176
Other		410	372
		2,592	2,262
Total Professional and special services		2,592	2,262
7 Analysis of surplus			
Voted funds to be surrendered to the National/Provincial Revenue Fund			
Non voted funds		8,355	416
Other revenue to be surrendered to the Revenue Fund		8,355	416
Total		8,355	416

PROVINCIAL MEDICAL SUPPLY CENTRE
Notes to the Annual Financial Statements
for the year ended 31 March 2003

	Note	2002/03 R'000	2001/02 R'000
8 Cash and cash equivalents			
Paymaster General Account		16,492	4,726
Cash on hand			3
		16,492	4,729
9 Receivables - current			
Amounts owing by other departments			
Staff debtors	9.1	-	33
		-	33
9.1 Staff debtors			
Deduction Disallowance Accounts			33
		-	33
11 Revenue funds to be surrendered			
Opening balance		416	4,524
Transfer from income statement for revenue to be surrendered		8,355	416
Paid during the year		-416	-4,524
Closing balance		8,355	416
12 Payables - current			
Description			
Other payables	12.1	1,873	3,231
		1,873	3,231
12.1 Other payables			
Creditors - Stock		1,873	3,231
		1,873	3,231

PROVINCIAL MEDICAL SUPPLY CENTRE
Notes to the Annual Financial Statements
for the year ended 31 March 2003

	Note	2002/03 R'000	2001/02 R'000
13 Net cash flow generated by operating activities			
Net surplus as per Income Statement		8,355	416
Adjusted for items separately disclosed		994	905
Capital expenditure		994	905
Net cash flow generated by operating activities		9,349	1,321
14 Cash generated (utilised) to (increase)/decrease working capital			
(Increase) / decrease in receivables – current		33	8
Increase / (decrease) in payables		-1,358	1,549
Increase / (decrease) in other current liabilities		3,748	803
Increase / (decrease) in inventory		1,401	434
		3,824	2,794
15 Non-Voted funds and Revenue funds surrendered			
Revenue funds surrendered		-416	-4,524
		-416	-4,524
16 Equity			
Capitalisation reserve		30,000	25,000
Medvas Surpluses		294	1,546
		30,294	26,546

The capitalisation reserve has been increased by R 5m with the approval of the Provincial Treasury Department.

The Medvas surpluses are derived from price adjustments to the inventory control system.

**PROVINCIAL MEDICAL SUPPLY CENTRE
 DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
 for the year ended 31 March 2003**

These amounts are not recognised in the financial statements, and are 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), the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act and the Division of Revenue Act, Act 5 of 2002.

16	Contingent liabilities Liable to	Nature	Note	2002/03 R'000	2001/02 R'000
	Housing loan guarantees	Employees	Annexure 1	11	25
				11	25
17	Accruals				
	402103 Administrative Expenditure			212	294
				212	294
18	Employee benefits				
	Leave entitlement			115	99
	Thirteenth cheque				
				115	99

**PROVINCIAL MEDICAL SUPPLY CENTRE
ANNEXURE 1**

**STATEMENT OF FINANCIAL GUARANTEES ISSUED
as at 31 March 2003**

DOMESTIC.

Guaranteed institution	Guarantee in respect of	Original Guaranteed capital amount R'000	Opening balance as at 01/04/2002 R'000	Guaranteed issued		Guarantees Paid/ Cancelled/			Closing Balance 31/03/2003 R'000	Realised losses i.r.o. claims paid out R'000
				New R'000	Inc. R'000	Paid R'000	Canc. R'000	Red R'000		
ABSA	Housing	11	11	11					11	
	Housing	14	14			14			0	14
Total		25	25	11	0	14	0	0	11	14

Glossary

Abet	Adult Basic Education and Training	EHP	Environmental Health Practitioner
ANC	Ante-natal Clinic	EMRS	Emergency Medical Rescue Services
ANC	Ante-natal care	EPI	Epidemiology Unit
APP	Acute Placid Paralysis	EU	European Union
ALS	Advanced Life Support	FBO	Faith Based Organisation
ARV	Anti-retroviral	FMS	Financial Management System
ASO	Auxiliary Service Officer	GIS	Geographical Information Systems
BFH	Baby Friendly Hospital	HBC	Home Based Care
CBO	Community Based Organisation	HDI	Historically Disadvantaged Individual
CDC	Communicable Disease Control	HIV/AIDS	Human Immuno-virus/Acquired Immune Deficiency Syndrome
CHF	Community Health Facilitator	HPS	Health Promoting Schools
CHC	Community Health Centre	ICU	Intensive Care Unit
CHW	Community Health Worker	IEC	Information, Education and Communication
CMTD	Central Medico-Technical Division	ISS	Institutional Support Services
COHSASA	Council for Health Service Accreditation of Southern Africa	ILS	Intermediate Life Support
CPD	Continued Professional Development	IMCI	Integrated Management of Childhood Illnesses
CPS	Central Provincial Store	IMLC	Integrated Management Labour Committee
CD	District Council	INP	Integrated Nutrition Programme
DSHR	District Health Expenditure Review	IT	Information Technology
DHS	District Health System	IU	International unit
DOH	Department of Health	KZN	KwaZulu-Natal
DOTS	Directly Observed Treatment Short Course	KZNPPHC	KwaZulu-Natal Progressive Primary Health Care
DTP-Hib	Diphtheria, Tetanus and Whooping cough - Hemophilus	MCWH	Maternal, Child and Women's Health
EAP	Employee Assistance Programme	MEC	Member of Executive Council
ECP	Emergency Care Practitioner	MEDSAS	Medical Supplies Administration System
EDL	Essential Drug List	MEDVAS	Mediese Voorraads Administrasiestelsel
EDP	Essential Drugs Programme	MERP	Medical Equipment Replacement Project
		MTEF	Medium Term Expenditure Framework

MVA	Manual Vacuum Aspiration	PPP/PFI	Public Private Partnership/Private Finance Initiative
NAFCI	National Adolescent Friendly Clinic Initiative	PSNP	Primary School Nutrition Programme
NGO	Non-Governmental Organization	PTB	Pulmonary Tuberculosis
NTBCP	National Tuberculosis Control Programme	PTDS	Part-time District Surgeons
NVP	Nevirapine	QA & AU	Quality Assurance and Accreditation Unit
OPD	Outpatient Department	QAC	Quotation Award Committee
OPEP	Occupational Post Exposure Prophylaxis	QEC	Quotation Evaluation Committee
OT	Operating Theatre	R&R	Repairs and Renovations
OTAHU	Operating Theatre Air Handling Unit	RPL	Recognition of Prior Learning
PAAU	Provincial HIV/AIDS Action Unit	RTH	Road to Health
PAP	Pappinicalau	SMME	Small Medium Micro Enterprises
PCR	Polymerase Chain Reaction	SPS	Strategic Positioning Statement
PEP	Post Exposure Prophylaxis	STG	Standard Treatment Guidelines
PFMA	Public Finance and Management Act	STI	Sexually-Transmitted Infections
PHAST	Participatory Hygiene and Sanitation Transformation	TB	Tuberculosis
PHC	Primary Health Care	TOP	Termination of Pregnancy
PLWA	People Living with AIDS	UPFS	Uniform Patient Fees Schedule
PWA	People with AIDS	VCT	Voluntary Counselling and Testing
PMSC	Provincial Medical Supply Centre	VIP	Ventilated Improved Pitlatrin
PMTCT	Prevention of Mother-to-Child Transmission	WHO	World Health Organisation
PNC	Post-natal Care	WSP	Workplace Skills Plan
PPIP	Perinatal Problem Identification Programme	ZNT	KwaZulu-Natal Tender

