



Foreword by MEC for Health

Despite the 2005/2006 financial year being an extremely challenging one for the KwaZulu-Natal Department of Health I am glad to report that the department has remained steadfast in its recognition of the need to provide equitable, accessible and quality health services to the people of the province.

To this end, during the year in review, we adopted the 2005/06 - 2009/10 Strategic Plan which was developed as a medium-term roadmap to chart our course forward. This plan, of course, was guided by the principles contained in the Millennium Development Goals, NEPAD Health Strategy, State of the Nation Address, State of the Province Address, the National Department of Health Strategic Priorities 2005/06 - 2009/10, Provincial Priorities as well as the sentiments expressed in the "People's Contract", among other pertinent identified trends.

The plan ensures that we focus on outcomes and the impact of what we do and not merely on the activities we engage in, thus creating the imperative that we strengthen monitoring and evaluation of this strategic plan, something which is reflected not only in this report, but will also be reflected in all subsequent reports within the timeframe of the adopted strategic plan.

With 21% of South Africa's population residing in KwaZulu-Natal, the province faces daunting challenges that are aggravated by socio-economic issues such as poverty, poor infrastructure, inequitable access to health care as well as the high prevalence of vulnerable groups, namely women, children and the elderly.

Internally and operationally, as was the case in the previous reporting period, financial constraints and the depletion of staff continue to be significant factors associated with the challenges of the Department. Our performance and delivery over the last financial year illustrate, however that we cannot allow these obstacles to block our way. Through innovation and the continual review of best practice we are finding ways of breaking through these diverse challenges and delivering on the contract with the people of KwaZulu-Natal.

With 2006 being the 50th anniversary of the historic Women's March to Pretoria it is perhaps apt to reflect on the courage and determination of these women who were prepared to lay down their lives for freedom. We must now ensure that the Age of Hope that was born from that struggle becomes a meaningful reality to all our people.

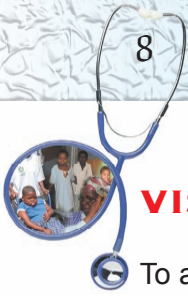
I wish to thank the KwaZulu-Natal Portfolio Committee on Health, the Head of Department Dr B. Nyembezi as well as all the patriotic, dedicated and hardworking staff in the Department of Health for their effort in serving the people of our province.

Thank you.



Ms NP Nkonyeni
MEC For Department of Health





VISION

To achieve optimal health status for all persons in KwaZulu-Natal

MISSION STATEMENT

To develop a sustainable, coordinated, integrated 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 performs its functions, inter alia within the following legislative mandates:

- The Constitution of the Republic of South Africa
- The National Health Act, 2003
- Mental Health Care Act, 2002
- The Public Finance Management Act, 1999
- Choice on Termination of Pregnancy Act, 1996
- Public Service Act, 1994
- Sterilisation Act, 1998





TOP STRUCTURE



Ms NP Nkonyeni
MEC of Health



Dr BM Nyembezi
Head of Department



Mr N Nkosi
Chief Operating Officer



Mr ASS Buthelezi
Chief Financial Officer



Dr SM Zungu
Chief Health Officer



Mr M Ngcobo
Chief Information Officer



Dr ML Mhlongo
General Manager
Area 1 Ugu, eThekweni,
Ilembe



Dr SSS Buthelezi
General Manager
Area 2 Sisonke,
Uthukela,
uMgungundlovu,
Umzinyathi, Amajuba



Dr MLB Simelane
General Manager
Area 3
Umkhanyakude,
Zululand, Uthungulu



Miss ZT Ndlovu
General Manager
Accounting Technical
Support Services



Miss N Phillips
General Manager
Health Services



Mrs M Badenhorst
General Manager
Service Delivery
Planning,
Monitoring
and Evaluation



Mr GE Mkhize
General Manager
Human Resource
Practices



Mrs AN Zondi
General Manager
Legal Services



Mrs P Padayachee
General Manager
Corporate
Governance,
Inter-Governmental
Relations and
Inter Sectoral
Collaboration



Dr C Sewlal
General Manager
Infrastructure
Development
and Clinical



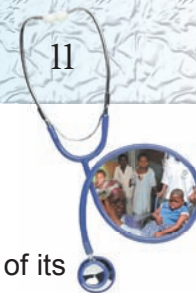
Mr LA Mbangwa
General Manager
Corporate
Communications



Mr VRM Ntshangase
General Manager
Budget and Supply
Chain Management



Report From Head of Department



At this part of the financial year, the Department continued to make strides towards the realisation of its vision of optimal health status for all persons in the Province of KwaZulu-Natal.

In an effort to realise this vision, the guiding principles which informed the Department's Strategic Objectives for the year emanated from the State of the Nation Address, the State of the Province Address, the Strategic Priorities for National Health System 2004-2009, Provincial Priorities and the Millennium Development Goals.

The Strategic Focus for the KwaZulu-Natal Department of Health is centred around:

- **Improving service delivery**

In an effort to improve service delivery various initiatives were put in place. Some of these entailed strengthening Primary Health Care, improvement of quality of care and restoration of human dignity and respect. Emergency Medical Rescue Services (EMRS) as well as District Hospital Services were strengthened. Tertiary and Regional Hospital Services redistributed development to reach underserved areas.

- **Comprehensive approach to the Management of HIV and AIDS**

Enhancing the comprehensive management of HIV and AIDS saw the Department increasing access to Voluntary Counselling and Testing (VCT), Prevention of Mother to Child Transmission (PMTCT) and (HAART) to qualifying patients. To further improve the management of HIV and AIDS the number of drop-in centres was increased, whilst people on Anti- Retroviral Treatment were provided with nutritional supplements.

- **Poverty alleviation & food security**

The poverty rate in our province is high with 63-77% households being food insecure. To assist in food security the Department embarked on provision of nutrition supplements to patients on TB treatment, ARTs, children under 5 and other vulnerable groups. To ensure sustainability we capacitate patients in the establishment of gardens through demonstration gardens. The Department is also contributing to promotion of local economic development through opening up markets for targeted groups which include women and youth-owned enterprises, as well as those enterprises owned by people with disabilities.

- **Reduction of morbidity & mortality of women, children and other vulnerable groups from communicable and non- communicable illnesses**

To improve detection and management of maternal conditions in order to reduce maternal deaths, we increased facilities offering antenatal and postnatal care services to pregnant women whilst ensuring that deliveries are attended to by qualified professionals.

All maternity calls from clinics are red coded by EMRS. To ensure early detection of cervical carcinoma district hospitals, prioritised Community Health Centres (CHCs) and busy clinics offer cervical cancer screening whilst all our clinics provide Reproductive Health Services.

To reduce child mortality through improving prevention and management of childhood illnesses we strove to ensure that all districts have at least 90% EPI coverage whilst nurses and doctors working in paediatrics are trained in the Integrated Management of Mother and Childhood Illnesses (IMCI)





- **Human capacity planning & development**

To comply with Medicines Control and Related Substances Act (Act 101 of 1965), as amended health professionals, other than a pharmacist, who dispense medicines underwent training and licensing. Staff at Accident and Emergency Units are being registered for ATLS training to improve their skills and competencies. The Department is also working towards having 100% clinics with at least 1 PHC trained nurse.

- **Good governance**

In an effort to enhance meaningful community participation in health issues and governance, all institutions have set up Hospital Boards whilst districts have been encouraged to host at least 1(one) community Imbizo (health forum) per annum to hear the concerns of the community.

- **Infrastructure Development**

The Department continued with various projects on infrastructure development to ensure that more access to health facilities is provided. Other projects entailed improving the physical condition of selected hospitals as well as providing adequate residential accommodation for staff in rural facilities. The area of infrastructure development poses great challenges and innovative solutions are being explored to deal with the backlog of the past few years.

- **IT & Communication**

To improve communication in health facilities, kiosks have been installed at some hospitals and Community Health Centres with the aim of rolling this out to all facilities. Work is in progress regarding establishing District Emergency Communication Centres.

Our Primary Health Care Services continue to see more patients and 90% of our primary health care facilities have governance structures where community participation takes place. The availability of chronic medication has been improved in all PHC facilities and all districts have 11 fully equipped Sight Saver Centres.

The province is facing a challenge with increase in Tuberculosis and the emergence of Multi Drug Resistance TB and Extreme Drug Resistance TB. A TB crisis plan is being implemented to improve adherence and cure rates and also reduce the defaulter rate.

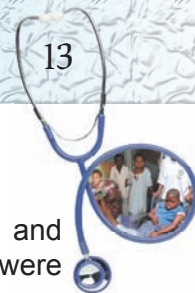
The Department has also strengthened its Community Care Giver Programme to improve community based health care. 420 members of the Faith Based Organisation Leadership, 150 Youth and 34 Traditional Health Practitioners have been trained on basic HIV and AIDS, ART and STI Information.

A total of 60 hospitals, 598 Primary Health Care clinics, 14 Community Health Care Centres and 43 mobiles provide Voluntary Counselling and Testing (VCT) services. This service also provides an entry point for both PMTCT and ART programme. In addition, there are 58 non-medical sites that have been established which are providing VCT services.

Significant progress has been made with the Anti Retroviral Treatment (ART) rollout programme. A total of 53 out of 55 sites that were identified to give treatment are now fully accredited and operational. The remaining 2 sites function as complexes with nearby facilities. This means that ARV treatment is accessible at all hospitals and in all districts in this Province.

The Province has done extremely well in the reduction of Malaria. The incidence of Malaria this





past financial year was 4 per 1000 population.

Planned Patient Transport transporting patients between hospitals and between clinics and hospitals has been strengthened in this financial year. In 2004/2005, 99, 792 patients were transported. This increased to 272, 800 in 2005/2006.

A lot of work has been done, yet still more needs to be done for us to realise optimal health status for all persons in the Province of KwaZulu-Natal.

It would be appropriate at this point to express my sincere gratitude and appreciation to the management, staff and all stakeholders who work with us as the Department of Health in KwaZulu-Natal to ensure a "Better Life for All".

We have received donor support from various sources such as the Belgian Technical Committee, the Department for International Development (DFID), the Global Fund, the Italian Co-operation and the United States Agency for International Development (USAID).

We have received hands-on support from the Ramakrishna Centre of South Africa, the Islamic Medical Association, NGOs and CBOs. The Red Cross Air Mercy Service has assisted us to take services into areas that would otherwise not have been reached, thus making a real difference in the lives of people in this Province. There are many other people from the private sector, tertiary institutions, parastatals, churches, communities and other government Departments who have also made meaningful contribution, and for this we are truly grateful.

Lastly, I would like to sincerely thank Professor R.W Green-Thompson and the MEC, Ms N.P. Nkonyeni, for having laid a foundation on which to build for the ensuing financial years. We wish Prof Green-Thompson well in his endeavours.

This Annual Report goes into detail about the activities of the Department during 2005/2006 and is an indication of the hard work the Department is engaging in an effort to make a Better Life for Our People. This, however, is but a stepping-stone to what still needs to be done to meet the Millennium Development Goals.

Table 1 (a): Budget allocation and expenditure incurred in 2005/2006

BUDGET ALLOCATION	2005/06 R' 000
Original budget	10,379,202
Rollovers	94,962
Additional adjustments	(49,648)
Final budget appropriated (adjustments budget)	10,424,516
Total expenditure	10,555,752
(Over)/under expenditure	(131,236)
(Over)/under-expenditure (%)	101.3%



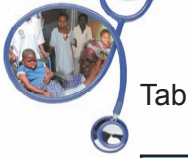


Table 1 (b): Budget allocation and expenditure incurred in 2005/2006

PROGRAMME	FINAL ALLOCATION	ACTUAL EXPENDITURE	VARIANCE
	R ' 000	R ' 000	R ' 000
1. Administration	192,917	192,917	-
2. District Health Services	4,736,757	4,924,947	(188,190)
3. Emergency Medical Services	420,604	420,604	-
4. Provincial Hospital Services	2,808,367	2,796,081	12,286
5. Central Hospital Services	1,024,735	1,068,606	(43,871)
6. Health Sciences and Training	411,589	408,227	3,362
7. Health Care Support Services	7,600	7,600	-
8. Health Facilities Management	821,947	736,770	85,177
Statutory payment			-
TOTAL	8,875,985	10,555,752	(131,236)





SITUATIONAL ANALYSIS

With a population in excess of 9.5 million people KwaZulu-Natal remains the most populous of South Africa's nine provinces. It also remains the province with some of the most serious socio-economic challenges given the high levels of poverty, poor infrastructure, high illiteracy and innumeracy levels - and this is particularly burdensome of rural communities generally and women, children and the elderly specifically.

From a health management perspective all of the above mentioned factors contribute to the huge burden of disease and test to the limits our capacity of delivering on the Department's core legislative mandates derived from several pieces of legislation.

We have accepted the fact that issues relating to health cannot be viewed in isolation and that government in its entirety must streamline its efforts and interventions in a manner that will tackle underlying factors that aggravate the vulnerability of our people to risks such as disease and hunger.

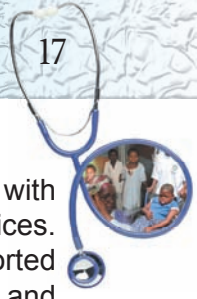
In the previous reporting period the Department of Health focused on identified Presidential Nodal areas in the province such as Umzinyathi, Zululand, Umkhanyakhuda and Ugu. The poverty rate in these areas ranged from 60.2% to 77.1%, with the average unemployment rate being 54%.

This coordinated and consolidated multi-sectoral approach continues to underpin our efforts at achieving our objectives and giving impetus to our departmental vision, mission and core values. However, we also realised that our plans and programmes must reflect the reality that the outcomes we hope to achieve cannot be realised within the constraints of a particular financial year and that a medium term approach must be adopted.

Hence, in April 2005 we adopted a Strategic Plan that provided a medium term expenditure framework that will chart the way forward. The plan is comprehensive in that it involves all the department's programmes i.e Administration, District Health Services, HIV, Aids, STI and TB control, MCWH and Nutrition, Disease Prevention and Control, EMRS, Patient transport and Disaster Management, Provincial Hospitals, Tertiary and Central Hospitals, Health Care Support Programmes, Human Resources and Facilities Management.

The Strategic Plan, apart from being comprehensive is also dynamic in that it is designed to be flexible and capable of adapting to changing circumstances.





The Department's strategic objectives also necessitated a restructuring of our human resources, with initial emphasis on the top management structure, Supply Chain Management and Support Services. After extensive consultations with all stakeholders the structure was approved by the MEC and supported by organised labour. As a result of the new structures there was some re-organisation, re-alignment and delinking of some sections. Some of the new sections include the Service Delivery Planning, Monitoring and Evaluation Section as well as the Corporate Governance, Inter-Governmental Relations and Inter-Sectoral Collaboration. In an effort to strengthen service delivery capacity the department appointed a Chief Operations Officer.

The Department also introduced a Performance Management and Development System for all employees on salary levels 1 to 12 with effect from April 01, 2005. An extensive training programme was undertaken to implement the system in all hospitals and institutions located in KwaZulu-Natal.

Despite the enormous existing challenges including communicable diseases such as HIV Aids and TB as well as internal challenges such as skills shortages and financial constraints among other issues, the KZN Department of Health is making enormous strides, and will continue to do so regardless of the obstacles, so that our actions give meaning to this our Age of Hope.



Table 2: Mortality trends

	1998
Infant mortality (under 1) rate	52,1 per 1 000 live births
Child mortality (under 5)	74.5 per 1000 live births
Maternal mortality	150 per 100 000 live births**

*Source SADHS 1998. SADHS 2003 not released.

** National Figure – not reported for KwaZulu-Natal

Table 3: Top 10 causes of death per 100 000 in KwaZulu-Natal 1998-2002

Categories	% Total Mortality*	% Case Fatality**	Expected Annual Hospital Deaths	95% CI Min Deaths	95%CI Max Deaths
AIDS	39.4	31.5	19 200	16 500	21 900
Tuberculosis (TB)	11.6	13.6	5 700	3 900	7 500
Cardiovascular	9.6	15.6	4 700	3 050	6 350
Respiratory Infections	5.5	7.1	2 700	1 450	3 950
Diarrhoea	5.1	7.1	2 500	1 300	3 700
Diabetes	5.1	16.0	2 500	1 300	3 700
Malignant Neoplasms	4.8	24.6	2 300	1 100	3 500
Intentional Injuries	4.1	6.0	2 000	900	3 100
Peri-natal	3.8	22.9	1 800	700	2 900
Unintentional Injuries	2.1	1.8	1 000	200	1 800
Rest of categories	8.9	4.3	4 300	2 700	5 900
Total	100%		48 700		

*% Deaths caused by each category

**% Deaths within each category that die

Source: Report on Hospital Discharge Survey in KZN 1998-2002 (Italian Cooperation)
Mortality Data 2004/2005 pending Stats SA release





Table 4: Notifiable conditions

		2001/2002	2002/2003	2003/2004	2004/2005	2005/2006
Acute Flaccid Paralysis	No	1	2	5	12	-
Cholera	No	37 964	3 015	415	16	-
Malaria	No	5 857	1 873	4 097	3 779	-
Measles	No	5	64	130	308	-
Meningococcal infection	No	0	10	57	82	-
Poisoning agricultural stock remedies	No	0	5	0	0	-
Tuberculosis (all types)	No	17 733	51 944	58 037	47 251	-
Typhoid	No	12	0	6	22	-
Viral hepatitis (total)	No	84	108	65	90	-

- There is currently a backlog in the capturing of TB data at district level. This figure represents cases currently recorded in the TB database as maintained by CDC.
- The Cholera figure represents cases currently recorded in the Cholera database as maintained by GIS.
- The Malaria figure represents cases currently recorded in the Malaria database as maintained by Jozini MRC.
- The rest of the figures represent cases currently recorded in the Notification database as maintained by Data management.

Table 5: Evolution of expenditure by budget sub-programme

Programme	2001/02	2002/03	2003/04	2004/05	2005/06	2005/06 Revised	Variance -% under/ (over-expenditure)
	Exp R'000	Exp R'000	Exp R'000	Exp R'000	Exp R'000	Budget R'000	
Programme 1: Administration	134,002	143,866	154,176	162,295	192,917	192,917	0.00
Programme 2: District Health Services	3,326,700	3,363,876	3,771,028	4,253,689	4,924,947	4,736,757	(3.97)
District management	31,689	42,178	50,409	67,053	81,393	76,662	(6.17)
Clinics	732,585	753,037	845,016	912,732	932,180	1,006,345	7.37
Community health centres	136,224	144,650	146,254	167,027	220,615	217,476	(1.44)
District hospitals	1,832,976	1,861,724	1,992,238	2,367,227	2,660,326	2,429,656	(9.49)
Community based services	64,911	81,669	46,566	69,438	70,977	97,557	27.25
Other community services	310,401	183,896	211,105	295,711	396,607	313,827	(26.38)
Coroner services	0	0	65	951	2,936	24,976	88.24
HIV/AIDS	49,364	123,401	246,701	348,537	528,093	543,304	2.80
Nutrition	168,550	173,321	232,674	25,013	31,820	26,954	(18.05)
Programme 3: Emergency Medical Services	158,336	196,428	272,046	305,627	420,604	420,604	0.00
Emergency transport	147,081	193,691	268,074	289,981	401,178	401,205	0.01
Planned patient transport	11,255	2,737	3,972	15,646	19,426	19,399	(0.14)
Programme 4: Provincial Hospital Services	2,202,760	2,242,949	2,569,622	2,513,935	2,796,081	2,808,367	0.44



General hospitals (regional)	1,634,424	1,614,437	1,998,812	1,946,654	2,212,986	2,215,547	0.12
TB hospitals	144,556	267,065	251,263	242,287	230,332	235,728	2.29
Psychiatric hospitals	219,254	214,985	258,547	266,760	295,734	298,214	0.83
Subacute, stepdown and chronic hospitals	15,297	139,622	53,730	50,401	49,052	50,740	3.33
Dental training hospitals	7,229	6,840	7,270	7,833	7,977	8,138	1.98
Other specialised	0	0	0	0	0	0	0.00
Programme 5: Central Hospital Services	556,323	969,210	765,370	914,324	1,068,606	1,024,735	(4.28)
Central hospitals	111,265	295,290	211,704	268,529	317,398	299,189	(6.09)
Provincial tertiary hospitals	445,058	673,920	553,666	645,795	751,208	725,546	(3.54)
Programme 6: Health Sciences and Training	210,109	250,234	321,156	364,297	408,227	411,589	0.82
Nurse training colleges	108,027	128,180	166,794	211,031	219,498	216,029	(1.61)
EMS training colleges	3,050	3,851	3,395	4,619	14,786	12,334	(19.88)
Bursaries	22,701	27,555	42,535	27,696	33,818	34,149	0.97
PHC training	32,736	37,207	41,604	39,732	49,084	53,557	8.35
Other training	43,595	53,441	66,828	81,219	91,041	95,520	4.69
Programme 7: Health Care Support Services	0	5,000	10,400	10,600	7,600	7,600	0.00
Laundries							
Engineering							
Forensic services							
Orthotic and prosthetic services							
Medicines trading account	0	5,000	10,400	10,600	7,600	7,600	0.00
Programme 8: Health Facilities Management	624,071	324,009	347,492	425,842	736,770	821,947	10.36
Community health facilities	27,895	61,243	66,081	53,785	224,420	242,323	7.39
EMS	435	0	786	687	6,410	10,200	37.16
District hospitals	44,254	43,306	86,619	148,326	238,641	203,487	(17.28)
Provincial hospitals	72,459	108,051	117,599	186,749	227,624	277,653	18.02
Central hospitals	414,245	48,509	58,708	0	0	48,000	100.00
Other services	64,783	62,900	17,699	36,295	39,675	40,284	1.51
Total: Programmes	7,030,301	7,495,572	8,211,290	8,950,642	10,555,752	10,424,516	(1.26)



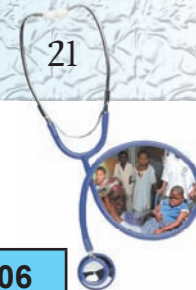


Table 6: Evolution of expenditure by budget per capita sub-programme (constant 05/06 prices)

	2001/03	2003/04	2004/05	2005/06
Population	9,490,795	9,577,877	9,665,758	9,651,100
% insured	12%	12%	12%	12%
Uninsured population	8,351,900	8,428,532	8,505,867	8,492,968
Conversion to constant 2004/05 prices				
	Exp per capita Uninsured	Exp per capita Uninsured	Exp per capita Uninsured	Exp per capita Uninsured
Programme	R'000	R'000	R'000	R'000
Programme 1: Administration	19.64	19.76	19.84	22.71
Programme 2: District Health Services	459.16	483.21	520.09	579.89
Programme 3: Emergency Medical Services	26.81	34.86	37.37	49.52
Programme 4: Provincial Hospital Services	306.15	329.44	307.38	329.22
Programme 5: Central Hospital Services	132.29	98.07	111.79	125.82
Programme 6: Health Sciences and Training	34.16	41.15	44.54	48.07
Programme 7: Health Care Support Services	0.68	1.33	1.30	0.89
Programme 8: Health Facilities Management	44.23	44.53	52.07	86.75
Total: Programmes	1023.12	1052.35	1094.38	1242.87

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

Notes

1. The difference in the figures for previous years relate mainly to the revision of the population figures and the change of constant prices from the 2003/04 financial year to the 2004/05 financial year.
2. The high income per capita in 2001/02 in Programme 2 results mainly from the inflated expenditure resulting from the cholera epidemic and the building of Inkosi Albert Luthuli Central Hospital. This negates the apparent decrease in 2002/03.
3. The increase in 2002/03 in Central Hospital Services relates to the dual funding required to run these services at Wentworth, King Edward and Inkosi Albert Luthuli hospitals during the period of commissioning the latter.
4. The inflated figure for 2001/02 in Programme 8 relates mainly to the final payment for the building of Inkosi Albert Luthuli Central Hospital and accounts for the skewed per capita income in this Programme.



Table 7: Expenditure on conditional grants

	01/02	02/03	03/04	04/05	05/06
National Tertiary Services	427,525	488,575	551,831	619,449	691,451
HIV and AIDS	13,315	54,470	85,591	187,223	251,468
Hospital Revitalisation	87,000	111,000	34,353	78,546	111,821
Integrated Nutrition Programme	136,485	136,337	176,646	24,513	26,954
Hospital Management and Quality Improvement	957	19,000	16,375	15,794	19,514
Health Professions Training and Development	154,388	164,755	164,513	183,989	180,087
Inkosi Albert Luthuli Central Hospital	153,577	-	-	-	-
Provincial Infrastructure Grant	23,862	46,358	70,043	128,459	157,561
Coroner Services	0	0	65	940	2,624
Cholera epidemic	0	0	0	6,100	-
TOTAL	997,109	1,020,495	1,099,417	1,245,013	1,441,480

Please note that there was a typing error in the 2003/04 book. This has been corrected in the above schedule.

Note:

The expenditure reflected includes the roll-overs from previous financial years.

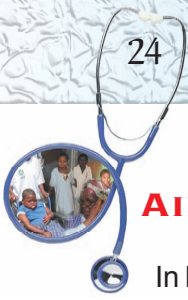


Programme 1



Administration





AIM

In keeping with the Department's stated policy of ensuring that the budget allocation for this Programme is maintained at a maximum of 2% of the total budget allocation, the importance of the Programme cannot be overemphasised in terms of its impact to service delivery as a whole. The overall aim of this programme is to provide strategic leadership and management of the Department, and to ensure the effectiveness and efficiency of its activities.

The Programme consists of the following two sub-programmes:

- **Minister**

This sub-programme has 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 is in line with the legislative mandate and policies that prevail.

- **Management**

This sub-programme has the specific objective of providing overall strategic leadership and management, ensuring that policies are formulated and implemented within the broader framework governing the public service and in keeping with the Vision, Mission and Core Values that the Department subscribes to.

ANALYTIC REVIEW

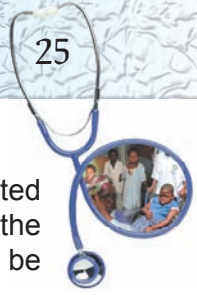
AUDIT AND RISK MANAGEMENT

The Audit and Risk Management component performs a transversal function across the Department, in that it deals with audit matters affecting all health institutions and ensures that risks are identified and mitigated through the implementation of internal control measures. The component works closely with the Office of the Auditor-General and the Internal Audit Unit of the Provincial Treasury in the execution of its duties.

During the reporting period, the Department was subjected to a multitude of audits by Office of the Auditor-General as well as by the Internal Audit Unit. These audits include audits of the financial statements of both the Department and the Provincial Medical Supply Centre, a trading entity in the Department, regularity audits at five (7) institutions, review audits of the general computer controls of the MEDSAS System at the Provincial Medical Supply Centre and the information system (SAP) at the Inkosi Albert Luthuli Central Hospital, as well as a performance audit on the management of the Revitalisation and HIV/Aids Conditional Grants.

The component had also embarked on and finalised various risk management initiatives as part of its strategy to combat fraud and corruption. In this regard numerous workshops were conducted with the target audience being all officials falling within the management echelon. The campaign included, inter alia, workshops on the fundamentals of Risk Management, its effectiveness and analysis of the processes involved in mitigating potential risks, Fraud Prevention, which included the rollout of the Fraud Prevention Plan and the Department's Strategy in reducing the incidence of fraud and corruption as well as presentations on Corporate Governance, which incorporated a module on the relevant sections of the Public Finance Management Act. Further, the component has also been involved in Risk Assessments of various disciplines within institutions of the Department.





The component, in partnership with the Internal Audit Unit of the Provincial Treasury, also conducted a Control Self Assessment (CSA) workshop in the Department to review key business objectives, the risks impacting on the achievement of these objectives and the internal controls that will need to be designed to manage these risks.

CORPORATE COMMUNICATIONS

The Corporate Communications Unit is responsible for corporate communications and branding, media liaison, public relations as well as the internet and intranet sites in the department. At the core of this Unit's activities is improving the image of the department in the eyes of the public and other stakeholders and to market its activities, programmes and events.

In an effort to strengthen relations with the media, the Unit worked hard to ensure that media queries were attended to within the deadlines set by the media and that the responses given were as comprehensive as possible. A breakfast meeting with all the editors of all media in the province was also held to introduce departmental management to the editors and to inform them about the programmes as well as the challenges faced by the department. The aim was to ensure that news reports about the department were properly contextualised. Because there is a sizeable number of community media in the province we started transporting journalists to the department's events to ensure that the events were covered as widely as possible. This resulted in an increase in the number of journalists attending our functions and this attendance translated into stories published and broadcast. To keep track of what was being reported about our department by media throughout the country, the Unit procured an electronic media monitoring service. This made it easier to compile monthly media reports for presentation to MANCO.

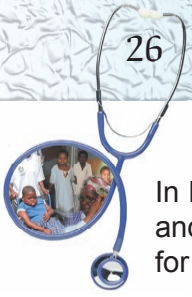
In an effort to market the department's programmes, events and activities the departmental newsletter, *Unwele Olude*, was strengthened by having an average of 1000 copies delivered to hospitals throughout the province, thus reaching an average monthly readership in excess of 3 000 000. The Unit also worked very closely with the various programmes on awareness campaigns. These included campaigns on deaf awareness, malaria, oral health, tobacco use, drug and alcohol abuse, caring for the elderly, HIV and AIDS, the promotion of healthy lifestyles, bogus nursing schools, STIs, pregnancy, typhoid, diabetes and the prevention of blindness, among others.

On the public relations and corporate front, the Communications Unit organised a very successful launch of the department's state-of-the-art call centre and subsequently mounted a massive publicity drive about the call centre. We also led all activities related to the MEC's budget speech in May. During Women's Month we ran a campaign paying tribute to the women in the department, which was very well received by staff and the public. We also participated in "Take a Girl Child to Work" on a massive scale, during which we exposed schoolgirls to the variety of careers in the health field by having them spend a day working with a staff member. The KZN Health Indaba was one of the highlights of the year for this Unit, where nearly a thousand health stakeholders came together to deliberate on health matters.

The biggest Public Relations campaign of the year was *Toy Story 2005*. This campaign, run by, and in conjunction with, East Coast Radio, is a charity drive to collect donations of toys and food parcels for distribution to disadvantaged children, orphans and children who find themselves in hospital over the Christmas period.

The Communications Unit also made its presence felt by representing the department in the planning and execution both the Presidential and the Premier's izimbizo.





In helping to build strong and cohesive teams in the department, the Unit successfully held a soccer and netball tournament, a choir competition, a Women's Day event for staff, as well as a Health Day for staff.

Several workshops were held to empower Public Relations Officers with skills that would enable them to be more effective and efficient in their duties.

FINANCE

During the 2005/06 financial year, a number of initiatives were implemented to enhance financial management, improve governance, accelerate the move towards the alignment of the budget to the strategic plan of the Department and implement government policies on Supply Chain Management. These initiatives also placed the Department in a position to ensure improved service delivery through the efficient use of available resources, while ensuring that fiscal discipline.

The Department embarked upon the process of implementing the Supply Chain Management Framework, with effect from 1 February 2006. Achievements by the end of the financial year included the completion of interim delegations, finalization of the Head Office SCM structure, appointment of bid committees, finalization of an SCM procedure manual and the completion of the draft procurement plan.

The process of implementing the Preferential Procurement policies of government gathered momentum with the award of bids to the value of R12m to about 99 groups of co-operatives. Further improvements are expected during the forthcoming financial year in line with the targets set by the Department in its Procurement Plan.

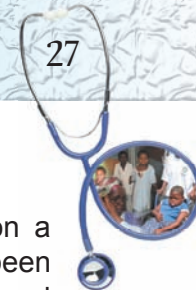
Improvements in financial management included enhanced revenue management, improved management of creditors and timeous reconciliation of key suspense accounts. The reconciliation of Persal and BAS was completed for the first time during the year under review. Challenges were experienced in the reconciliation of the stores system due to historical balances that emanated from the period prior to the migration from FMS to BAS. Strides have been made to unbundle these balances to resolve the differences in the stores reconciliation. To support the delegation of functions to managers within the department, basic public financial management training was provided during the financial year focussing on the key areas relevant to the performance of the delegated functions.

The budget management systems and processes put in place to ensure that the Department complied with the budget management procedures as far as planning and reporting is concerned, resulted in enhanced management of allocated resources, thereby improving allocative efficiency and ensuring that available resources were utilized in line with the service delivery priorities of the Department. Budget Control was strengthened in the institutions by enhancing the utilization of the Cost Centre Accounting System. A monthly reporting tool was also implemented to achieve standardized and meaningful communication of budget management information for the users.

FORENSIC AND BIO-ETHICAL SERVICES

The Forensic Services Directorate is responsible for the establishment of the forensic pathology services, including medico-legal mortuaries, and taking transfer of the SAPS mortuaries. Implementation of the Mortuary Transfer Project has commenced and it is anticipated that the process will span a period of 2 to 3 years. A total of 390 mortuary staff have been appointed by the KwaZulu-Natal Department of Health and are required to undergo induction and orientation programmes before deployment at various medico-legal mortuaries throughout the province.





The issues of training, skills development and career pathing programmes are addressed on a continual basis in collaboration with the tertiary institutions, and a number of programmes have been implemented. The Directorate organises and facilitates a number CPD-accredited workshops and short courses in Forensic Medicine for health care personnel each year. The Post-graduate Diploma in Forensic Health Care course for health care personnel commenced in February 2006 at the University of KwaZulu-Natal. The Short-course in Mortuary Technique and the Certificate Course in Mortuary Practice are offered through the Durban University of Technology (DUT). All of the above mentioned courses are unique to the province of KwaZulu-Natal.

HUMAN RESOURCE MANAGEMENT

This branch is responsible for the managing of all human resources across the Department to ensure that the required objectives are satisfied. The branch includes all facets of human resource management, namely, the development of organisational post-establishment, human resource planning, human resource development, human resource practices and human resource support.

Based on the Department's strategic objectives, the department participated in a restructuring process. This resulted in Top Management Structures, Supply Chain Management and Support Services being approved by the MEC for Health and supported by Organised Labour. During this phase the Departmental Job Evaluation Panel made recommendations on the evaluation of 3 545 jobs, and 31 jobs were evaluated at the Provincial Job Evaluation Panel. All hospitals went under restructuring in respect of the Finance and Systems components, and the creation of new structures for Social Workers, Pharmacists and Radiographers was implemented.

The Department has also introduced a Performance Management and Development System (PMDS) for all employees on salary levels 1 to 12 with effect from 1 April 2005, and took under an extensive training programme to implement the system in all hospitals and institutions located throughout KwaZulu-Natal. In additional, due to the continuation of the decentralisation process, more powers were given to the institutions regarding the approval of housing guarantees and commuted overtime.

During the reporting period the Labour Relations component has prioritised clearing the backlog of misconduct cases and grievances within the Department. It has also focused on the establishment and sustaining of effective IMLCs to aid negotiations and bargaining on issues within their competencies between Management and Organised Labour in a decentralised setting.

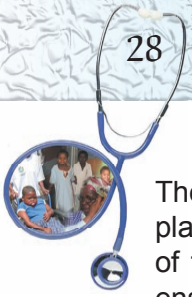
The Human Resource Support component has focused on HIV and AIDS in the workplace, Employee Assistance programmes and Occupational Health and Safety programmes. These programmes have been extensively strengthened during the reporting period by advanced marketing and promotion.

During the reporting period this component could not attain its set target to recruit 2% of people with disabilities. It was discovered that far less than 1% of people with disabilities had applied for the posts, and therefore a strategy was developed to fast track the recruitment of people with disabilities. Since the implementation of the strategy, 15 people with disabilities have been employed within a period of 4 months.

INFORMATION TECHNOLOGY

The vision is to provide Health Information Technology (IT) solutions to achieve optimal health status for all persons in the Province of KwaZulu-Natal.





The Information Technology Management aligns its strategy with the strategic direction, management plans and the business processes of the department, with due consideration of the strategic direction of the Department, the Provincial and National Government. Information Technology Management ensures that resources are at the right level and are appropriately distributed, supports the Department in the efficient and effective utilisation of information technology as strategic resources to enable them to execute their business or functions efficiently, effectively and manages the information technology function of the Department, ensuring the establishment of sound information technology management, leadership, strategy, systems and procedures.

In terms of a requirement of the Department of Public Service and Administration (DPSA), all Government Departments must have Master Systems Plans (MSPs). Negotiations are at present underway between the Department and the State Information Technology Agency (SITA) for the development of MSP which, it is hoped, will be completed early in the 2006/7 financial year. The department will have clear guidance on what type of systems are required for the entire Department, the priority order of implementation of these systems and will enable planned budgeting for IT for the next number of years. This MSP should include an indication of which modules of the Hospital Information System, as well as which other systems that are being used in the Inkosi Albert Luthuli Central Hospital, should be implemented in the Department's various hospitals. At present only two of the Department's hospitals have Hospital Information Systems. These are Addington Hospital, which uses the MEDITECH system, and the Inkosi Albert Luthuli Central Hospital, which uses the MEDICOM system.

LABORATORY SERVICES

The laboratory services component is responsible for ensuring provision of a comprehensive, cost-effective and efficient laboratory service to support core clinical service delivery components of the KwaZulu-Natal Department of Health. The diagnostic laboratory plays an essential role in the treatment, prevention and control of diseases.

LEGAL SERVICES

OMBUDSPERSON

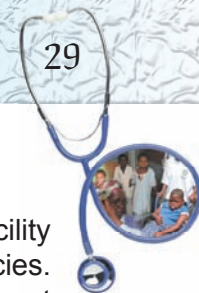
The highlights, according to Mrs Khathi from Quality Assurance, were the Roadshows that the entire team, which included the Ombudsman, embarked on. On these Roadshows, problems were discussed face-to-face with the public who seemed to appreciate talking about their problems directly to the Government officials. The main issues discussed these Roadshows had to do with clinical care, appalling staff attitude, patient safety, infection control and outstanding renovations of buildings at some of the health institutions. A lot of these complaints were taken to the appropriate departments and are being attended to.

PHARMACEUTICAL SERVICES

The main function of Pharmaceutical Services is to ensure the availability of a comprehensive Pharmaceutical Service at all Hospitals and Community Health Centres and clinics. This includes the rational and cost-effective use of medicines, along with suitable counselling of patients on their correct use of medicines.

The sustained availability of an appropriate range of medicines at all provincial health facilities is a priority. The availability of Essential Drug List (EDL) medicines remains good, particularly at Primary Health Care clinic level.





The scarcity of pharmacists and the high vacancy rate seriously impact on service delivery at facility level. Additional posts were made available in an improved staffing structure for hospital pharmacies. While creating better career prospects perhaps helping to retain staff, this has not had a major impact on staffing levels. Many of the new promotion posts have been filled by junior staff, and recruitment from outside the service is very low. Entry grade posts are over 80% vacant.

The provision of Anti-Retrovirals (ARVs) and associated medicines continues successfully. A major constraint though, is the lack of staff. This is a labour intensive programme and places a strain on existing services. Procurement of ARV medicines has gone without serious problems. As the patient numbers increase, storage space is becoming problematic, both at Pharmacies and the Provincial Medical Supply Centre.

Compliance with new legislation that became binding on the state at the beginning of July 2005, remains a challenge. With physical infrastructure being one of the biggest factors, it has become clear that full compliance is a long-term goal. Much has been done, but much is still to be done.

PRIVATE HOSPITALS

Whilst the Department is not responsible for the functioning of the private health industry, it does, however, have to ensure that private sector health facilities are in compliance with the applicable legislation and conform to the norms and standards through the mechanism of inspections.

During the reporting period one new application for private hospital and one step-down facility was approved and a total of 175 beds were approved to various private institutions in the province. one Cardiac unit was approved and one was not approved. Twenty two applications are pending a decision subject to provision of further information.

PROCUREMENT

It is the function of this component to ensure adherence to Supply Chain Management legislation, policies, prescripts and procedures issued by National and Provincial Treasury. The component has been successful in disseminating information and provides support and guidance to the department on Supply Chain Management-related issues. Through the roadshows and training, the component has been successful in sharing supply chain principles and applications with 1 200 supply chain management practitioners in the department. Further thereto the component has provided training on asset management in the department. To this end, the Tender Award Committee has awarded contracts for a total sum of R412 361 480.22 which is divided as follows: R 151 577 697.43 awarded to business enterprises with HDI & SMME status; R 152 059 130.09 awarded to well-established business enterprises; R97 049 517.14 awarded to business enterprises with SMME status and R11 675 135.56 awarded to business enterprises with HDI status. In the past ten years, government procurement has experienced rapid changes in the procurement environment. This created challenges for the component in ensuring that the department keeps abreast with the evaluation. Therefore it has made it difficult for the component to review progress in all, institutions especially on effective and efficient management of stores at institutions.

QUALITY ASSURANCE AND ACCREDITATION

Provide leadership for improved quality of care and infection control practices and to measure, monitor and evaluate the public health system 's performance in the provision of high quality compassionate care in KZN.





Review and establish the monitoring and evaluation system for the norms and standards for quality service delivery, which includes infection control, in partnership with relevant stakeholders.
Monitor and evaluate quality improvement in service delivery including the attainment of standards.
Develop and enable the implementation of monitoring and evaluation tools and systems for performance measurement of quality care.

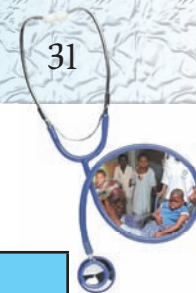
The training of infection control practitioners has not been completed due to the service provider experiencing problems for the placement of the students for practical exposure. The lack of appropriate isolation facilities remains a challenge as the existing physical infrastructures were not designed to cater for this function. The greater use of safe injection devices was not achieved due to the delay in the procurement procedures.

The systems and processes for achieving quality standards are not all in place. The absence of dedicated Quality Assurance Co-Ordinators at hospital and district level make both the implementation and the measurement of quality initiatives a challenge. The rapid staff turn- over imposes further challenges in ensuring the continuity of trained quality assurance personnel. The information systems required at various levels within the department do not entirely support the Monitoring and evaluation process. The data management system and the limited human resource capacity at all levels need considerable attention and strengthening.

TRANSPORT AND OFFICE SERVICES

Transport and Office Services has continued in its drive to improve Fleet Management within the department as well as providing efficient and effective support service to all components in Natalia. Considerable progress for the reporting period has been observed, noting some degree of improvement in Transport Management, contributing to a predetermined overall projective of the department. This is based on the Audit Reports which depicted a degree of compliance with the Public Service Regulations. This component is responsible for the development of Policy Guidelines and implementation of operational systems based on the directives emanating from the National Department of Transport inclusive of KwaZulu-Natal Provincial Department of Transport. One of the major achievements was the procurement of vehicles by the department in line with the budgeted costs which eliminated the roll-over of funds. The component is responsible for provision of office support services for Head Office inclusive of Supply Chain Management, Printing room, Switchboard, Security, General Administration(Cleaning Services), General Registry, Food Services Aid, Allocation of Parking and Allocation of Office Accommodation.





Programme Performance

OBJECTIVE	INDICATOR	ACTUAL 2004/2005	TARGET 2005/2006	ACTUAL PERFORMANCE 2005/2006
AUDIT AND RISK MANAGEMENT				
To effectively address all audit queries raised in respect of audits undertaken by the Office of the Auditor-General as well as audit and investigation reports emanating from the Internal Audit Unit of the Provincial Treasury as well as all Resolutions adopted by the Provincial Public Accounts Committee	The extent to which all queries have been resolved in the Department	100 %	100 %	100%
	The achievement of unqualified opinions	Unqualified audit opinion	Unqualified audit opinion	Unqualified audit opinion
To implement an effective and efficient system of risk management and internal control in the Department	The extent to which material risks have been mitigated in the Department	30 % of institutions	60 % of institutions	<p>All risks identified by the Auditor-General and the Internal Audit Unit as contained in the respective audit reports were evaluated and mitigated with relevant actions/controls being implemented</p> <p>Workshops were conducted with Institutional Management Teams in respect of:</p> <ul style="list-style-type: none"> - Fraud Prevention Plan and anti-corruption strategies - Corporate Governance - Risk mitigation in respect of queries raised by the Auditor-General and the Internal Audit Unit <p>A Control Self Assessment, documenting the potential risks was undertaken by the Department in partnership with the Internal Audit Unit of the Provincial Treasury</p>





OBJECTIVE	INDICATOR	ACTUAL 2004/2005	TARGET 2005/2006	ACTUAL PERFORMANCE 2005/2006
CORPORATE COMMUNICATIONS				
To reduce adverse publicity by developing proactive communication campaigns in line with the Department's strategic priorities and goals.	Reduction in number of negative articles	45%	60%	45%, as a result of the klebsiella outbreak at Mahatma Gandhi Memorial Hospital
	Number of media releases published	80%	90%	93%
To develop strategies that promote the use of PHC services.	No of media campaigns	4	4	4
To strengthen and capacitate the PRO network	No of hospitals with qualified PROs	70%	80%	85%
	No of capacity building workshops for PROs	0	4	4





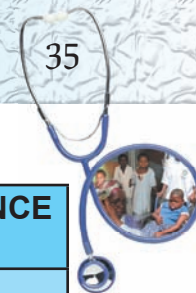
OBJECTIVE	INDICATOR	ACTUAL 2004/2005	TARGET 2005/2006	ACTUAL PERFORMANCE 2005/2006
EPIDEMIOLOGY AND HEALTH INDICATOR UNIT				
Epidemiology				
Disease Surveillance To conduct a Threshold Survey of HIV Resistance in KwaZulu Natal-WHO Methodology	Completed Field-work	Literature Search and Draft Protocol	Survey conducted	Fieldwork complete and laboratory results awaiting confirmation for draft report
Programme Monitoring To maintain weekly site reports of the ARV programme from accredited treatment sites	% of accredited sites submitting weekly reports	80%	90%	85%
Global Fund M&E To review the current GFATM indicator set Phase 2	Proposed Indicators Selected for Phase 2 comply with GFATM	Phase 1 indicators	Phase 2 indicators approved	Year 3-5 of GFATM funding approved with indicators
Research Collaboration				
To review the progress and implementation of the primary care information system	Phase 1 complete	Ethics Approval	Phase 1 Fieldwork	Phase 1 complete. Report received
Italian Co-operation				
Co-ordination of Italian Co-operation To publish an Epidemiological Bulletin	Publication of 3 Bulletins	3 Bulletins Published	3 Bulletins Published	3 Bulletins published
Data Management				
To ensure that FIO are empowered to execute their functions more efficiently, effectively and timeously	Train all Hospital Information Officers (FIO) on data management, analysis and use of information		100%	100%
Jointly Co-ordinate National HIV and Syphilis Sero-prevalence Survey – 2005 with Epidemiology	95% of the targeted sample data is collected		95%	100%
	All the ad-hoc request for information is addressed		100%	100%





OBJECTIVE	INDICATOR	ACTUAL 2004/2005	TARGET 2005/2006	ACTUAL PERFORMANCE 2005/2006
FORENSIC AND BIO-ETHICAL SERVICES				
Manage Project for the establishment of the FPS in KZN	Percentage of Project completed	50%	100%	Critical human resource requirements identified and staff establishments developed
Develop a Project Implementation Plan <i>Develop action plans and time-lines for the establishment of the FPS</i>	Percentage of Project Implementation Plan completed	50%	100%	Project Implementation Plans completed and Business Plans developed. Conditional Grant funding secured
Manage the transfer of the SAPS mortuaries into the FPS	Percentage of agreements concluded	20%	100%	Delays in finalisation of agreements due to transfer of a national function to the province
Provide forensic training for health personnel	Percentage of courses and training materials developed and courses conducted	50%	100%	In-service training workshops are conducted throughout the year. Formal qualification courses have been accredited.





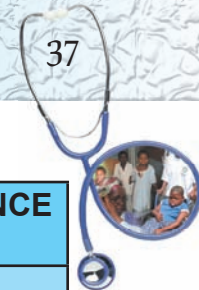
OBJECTIVE	INDICATOR	ACTUAL 2004/2005	TARGET 2005/2006	ACTUAL PERFORMANCE 2005/2006
HUMAN RESOURCE MANAGEMENT				
Human Resource Practices				
Optimising HRM by building capacity in HRP at Districts & Institutions	Training managers on Persal Management Information	110	120	156
	Training institutions and districts on performance management	Nil	115	115
Decentralisation of HRM	Training managers and supervisors at district offices and institutions on processing Housing Guarantees			
	Districts Institutions	6 45	2 49	2
Monitoring the Performance of decentralised HR Practices functions	Monitoring appointments done under delegated powers by institutions	Nil	52	52
	Monitoring general overtime approved and processed by district offices and institutions	Nil Nil	5 45	100% 100%
Ensuring efficient HRM	Filling of all posts of Occupational Health Practitioners that have been approved	Nil	100%	100%
To ensure that an effective EAP policy is implemented in the DOH	Development of marketing material	70%	50%	100%
	Launch of Intoxication, Substance Abuse and Medication Policy	Nil	100%	60%
	Conducting 3 day Workshops & training 5 Practitioners per institution	Nil	100%	100%





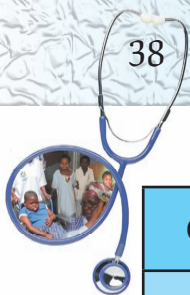
OBJECTIVE	INDICATOR	ACTUAL 2004/2005	TARGET 2005/2006	ACTUAL PERFORMANCE 2005/2006
HUMAN RESOURCE MANAGEMENT				
To develop an HIV/AIDS workplace Policy for each institution	Guide formation of HIV/AIDS committees all institutions.	Nil	100%	100%
	Aiding in drafting of the Policy for each institution	Nil	100%	100%
	Consultation, review and revision of institution specific policy as requested	Nil	100%	100%
Increased levels of knowledge and awareness about HIV/AIDS	Training of relevant employees, management and union officials on HIV/AIDS and the law	Nil	80%	80%
	Training of relevant employees, management and union officials regarding implementation of HIV Policy and openness, acceptance and support for employees who voluntarily disclose their status	Nil	80%	80%
Implementation of National Gender Policy Guidelines for the Health Sector	Translation of guidelines to Isizulu	Policies currently being translated into Isizulu	50%	50%
	Distribution of policy to gender forum representatives and placement thereof on the GPF Web	All districts	100%	50%
	Number of workshops conducted	Areas of empowerment identified and workshops held	100%	50%





OBJECTIVE	INDICATOR	ACTUAL 2004/2005	TARGET 2005/2006	ACTUAL PERFORMANCE 2005/2006
HUMAN RESOURCE MANAGEMENT				
Promotion of gender mainstreaming in all programmes	Mandated members and training needs identified	Nil	100%	60%
	Launch arranged	Nil	100%	80%
	Newsletters developed	Nil	100%	100%
Coordination of training on gender related issues	Training needs identified	Nil	100%	100%
	Service providers identified	Nil	100%	100%
Training document identified	Training document identified	Nil	100%	100%
To transform policy into programmes (Number of different activities present at institutions)	Review of existing initiatives within the Department and other Departments	Areas of empowerment identified and workshops held	100%	100%
		Development of links with pre-existing Programmes e.g. TBCP/ VCT	100%	100%
Presence of visible support by management	Roll-out workshops (Road shows) Annually	There was 100% participation by Districts including HO on various Provincial activities	100%	100%
	Development of mechanisms to ensure ongoing awareness of Policy including:- Workshops, Newsletters, Information Briefs, Links to Pay Slips, etc.	Nil	100%	100%





OBJECTIVE	INDICATOR	ACTUAL 2004/2005	TARGET 2005/2006	ACTUAL PERFORMANCE 2005/2006
HUMAN RESOURCE MANAGEMENT				
	Training of individuals on virology, means of transmission and prevention options	Nil	80%	80%
	Development of indicators	Nil	100%	100%
	Baseline surveys	Nil	100%	100%
	Corrective measures instituted	Nil	100%	100%
Development of a policy to manage TB and MDR TB in the workplace	Task teams formed to develop policy	Nil	100%	100%
	Review of national guidelines and other documents	Nil	100%	100%
Development of strategies to monitor and evaluate policies	Tool developed	Nil	100%	100%
	Manual developed and sent to districts	Nil	100%	50%
	Monitoring and evaluation undertaken	Nil	100%	
Human Resource Planning				
Develop the strategy for the recruitment of people with disabilities	Approved strategy for recruitment of people with disabilities	Recruit 2% people with disabilities	Strategy for recruitment of people with disabilities	Approved strategy for the recruitment of people with disabilities
Develop a workplace skills plan	Workplace skills plan (WSP)	WSP revised annually	Workplace skills plan revised	Workplace skills plan revised





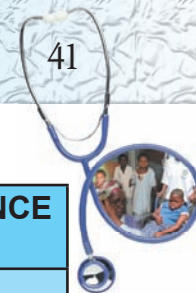
OBJECTIVE	INDICATOR	ACTUAL 2004/2005	TARGET 2005/2006	ACTUAL PERFORMANCE 2005/2006
HUMAN RESOURCE MANAGEMENT				
Ensure that people from the designated groups are equitably represented at all levels and occupational categories	Appointment and promotion:- - People with disabilities (PWD)	0.0017%	2%	(0.002%) 110 PWD employed
Ensuring the effective implementation of employment equity plans	Blacks appointed and promoted to senior management positions	75%	90%	83%
	Women appointed and promoted to senior management positions	30%	52%	46%
Labour Relations				
Training managers on dealing with misconduct, grievances and disputes with special attention to compliance with the prescribed time frames	Number of institutions at which training has been done	Nil	30	12
Launch and re-launch of Institutional Management and Labour Councils (IMLCs) at institutions and districts	Number of districts at which training has been done	Nil	2	2
	Number of institutions at which IMLCs have been launched or relaunched	Nil	60	
Monitoring the timeous processing of misconduct cases. Grievances and disputes	Number of districts at which monitoring has been done	Nil	24	2
	Number of institutions at which monitoring has been done	Nil	57	-
	Number of districts at which monitoring has been done	Nil	6	-





OBJECTIVE	INDICATOR	ACTUAL 2004/2005	TARGET 2005/2006	ACTUAL PERFORMANCE 2005/2006
HUMAN RESOURCE MANAGEMENT				
Organisational Development and Efficiency				
Review of Head Office Structure Level 13 & above	Approved Organogram	Nil	100%	100%
Review of Head Office Structure Level 12 & below	Approved Organogram	Nil	100%	70%
Evaluate all newly created jobs	Jobs evaluated and filled	Nil	50%	60%
Creation of Head Office Structure	Approved Organogram	30%	70%	Head Office Structure finalised and consensus has been reached with most of the Stakeholders
Creation of Models for institutions	Approved Organogram	25%	75%	Evaluation of posts on the new structure
	Approved job evaluation results	10%	80%	The evaluation is dependent upon the completion of the structure





OBJECTIVE	INDICATOR	ACTUAL 2004/2005	TARGET 2005/2006	ACTUAL PERFORMANCE 2005/2006
INFORMATION TECHNOLOGY				
To implement the District Health Information System (DHIS) in 11 districts.	No. of districts with functional DHIS.	11/11	11/11	11/11 100%
To implement touch screen Kiosks in health facilities, start with 13 community health centres (CHC) and then 62 institutions.	No. of facilities with Kiosks.	32	60	60
To purchase computers and printers for clinics (NB. As the number of computers grows, the number of printers should decrease because printers will be shared).	No. of clinics with a computer and printers	367	367	There has been a delay in finalising the Master Rental Agreement (MRA). The MRA was finalised on the 3rd of May 2006 and it will be signed by the HOD and Safika Asset Finance (PTY) Limited in May 2006. Italian Corporation bought computers & printers for Umzinyathi Health District.
To train health workers on the right computer software.	No. of people trained.	4000	4000	5000
To install networks in health facilities. (Wide Area Network = WAN; Local Area Network = LAN)	No. of network points in health facilities.	180	200	204 WAN 4000 LAN
To implement Tele-health in the Kwa-Zulu/Natal, Department of Health.	No. of tele-health sites in the Province.	22	36	46
Provide ART sites with IT Infrastructure.	No. of sites with infrastructure	25	25	25 ART sites have IT infrastructure. Outstanding is the implementation of ART Information System developed by SITA. The system was piloted at Greys hospital and failed. The province is looking for a system.





OBJECTIVE	INDICATOR	ACTUAL 2004/2005	TARGET 2005/2006	ACTUAL PERFORMANCE 2005/2006
INFORMATION TECHNOLOGY				
To implement the Mindset health broadcasting channel to 25 ART sites in order to broadcast health promotion programmes for patients who are waiting for their consultations as well as Health Care practitioners at certain intervals.	No. of ART hospitals with Mindset health broadcast channel	0	25	25 ART sites have Mindset health broadcast channel.





OBJECTIVE	INDICATOR	ACTUAL 2004/2005	TARGET 2005/2006	ACTUAL PERFORMANCE 2005/2006
LABORATORY SERVICES				
Provide accessible TB microscopy services	Number of functional TB microscopy centres	31	33	28
To improve the quality of TB microscopy services provided	Percentage of facilities attaining a 48hr turnaround time	80%	90%	82%
Establish a quality management system for TB microscopy services	Percentage of facilities participating in proficiency testing services	-	40%	1 QA Lab set up
To improve management capabilities of district and laboratory managers	Number of managers trained in management, leadership and supervision	40	45	50
To build capacity and resources to support training and professional development of staff	Number of staff accessing accredited training programmes	95	100	163
Improve collection of specimens from peripheral facilities to laboratories	Percentage of facilities getting transport at least 3x weekly	70%	80%	85%
Improve quality of services	Number of laboratories engaged in SANAS accreditation programme	-	2	2
	Improved performance on EQA programme	90%	90%	92%
Strengthen laboratory capacity to support HIV and AIDS comprehensive care, treatment and support programme	Number of CD4 laboratories developed	6	16	16
	Number of Viral Load laboratories developed	2	3	2
Establish a quality management system for VCT services	Percentage of VCT sites participating in EQA programme	-	40%	Pilot completed in 26 facilities Rollout plan in progress



OBJECTIVE	INDICATOR	ACTUAL 2004/2005	TARGET 2005/2006	ACTUAL PERFORMANCE 2005/2006
LEGAL SERVICES, CONTRACTS AND SPECIAL INVESTIGATIONS UNIT				
OMBUDSPERSON				
management of	No of complaints acknowledged within 3 days	75%	75%	70%
complaints	No of complaints resolved within 30 days	75%	75%	74%
PHARMACEUTICAL SERVICES				
Monitor the Availability of Sufficient and Suitably Qualified Staff at all Pharmacies in Order to Deliver a Comprehensive Quality Pharmaceutical Services.	Tracer Drug availability at PHC facilities	55	84	67 (80%) of 84 pharmacies have a full time manager. 83 pharmacies have at least one full time pharmacist.
	Availability of ARV medicines at sites	37%	30%	With the creation of new staff establishments (with additional posts) for pharmacies the vacancy rate has risen to 79%.
	No of patients receiving ARV medicines	90%	75%	78% of institutions were visited by Pharmaceutical Services
	Monthly meetings of the KZN Pharmacy and Therapeutics Committee (PTC)	87	105	95 interns were placed with 86 eventually taking up the appointments.
	Institutions with an active PTC	59	59	65 Community Service Pharmacists were appointed.
Ensure the continued availability of Medicines to all health facilities, including Antiretroviral (ARV) medicines to accredited ART sites.	Training Workshops conducted	90%	100%	A 97% average availability of medicines at PHC facilities was achieved.
	Persons trained	100%	100%	100% availability was achieved.
	Support staff trained or in training as Basic Pharmacist's Assistants	8232	30 000	36 500 patients were receiving ARV medicines (55 sites)





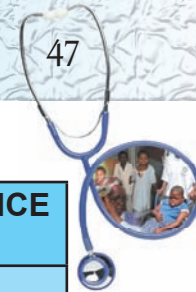
OBJECTIVE	INDICATOR	ACTUAL 2004/2005	TARGET 2005/2006	ACTUAL PERFORMANCE 2005/2006
PHARMACEUTICAL SERVICES				
Ensure compliance with the Essential Drugs Programme	Support staff trained or in training as Post Basic Pharmacist's Assistants	12	12	All scheduled meetings took place
	Licences Licensed by NDOH	15	20	21 institutional PTCs meet at least once a quarter.
	Licences recorded by SA Pharmacy Council	17	6	6 training workshops were held
	Support Staff registered with SA Pharmacy Council	314	490	405 persons were trained. This excludes Basic and Post Basic Pharmacist's Assistant training.
	Finalisation of Business Plan	60%	70%	70% of support staff are trained or are in training at Basic level
Ensure compliance with Legislation		25%	50%	30% of support staff are trained or are in training at Post Basic level
		75%	100%	96% of pharmacies have received their licences
		10%	100%	79% have been recorded
		60%	100%	93% of support staff are registered
		50%	100%	The business plan is 50% complete





OBJECTIVE	INDICATOR	ACTUAL 2004/2005	TARGET 2005/2006	ACTUAL PERFORMANCE 2005/2006
PRIVATE HOSPITALS				
To ensure that all private health facilities are evaluated as a requisite for annual registration	Total Number of private health facilities inspected	37	36	A total of 46 private health facilities were inspected and registered.
To ensure that all private health facilities (new projects) are compliant with legislation.	Inspections to ensure compliance conducted.	Nil	Nil	14 Private health facilities inspected and found to be compliant.





OBJECTIVE	INDICATOR	ACTUAL 2004/2005	TARGET 2005/2006	ACTUAL PERFORMANCE 2005/2006
QUALITY ASSURANCE AND ACCREDITATION				
Assess quality of service delivery in line with norms and standards	% of hospitals compliant with set norms & standards	40%	45%	46%
Ensure implementation and monitoring of infection control policies and procedures	% of hospitals with effective infection control programmes	30%	60%	52%
Institute quality measurement systems in health facilities (Hospitals and CHCs)	% of facilities (Hospitals and CHCs) with quality measurement systems	50%	65%	66%





OBJECTIVE	INDICATOR	TARGET 2003/ 2004	TARGET 2004/ 2005	TARGET 2005/ 2006	ACTUAL PERFORMANCE 2005/2006
SUPPLY CHAIN MANAGEMENT					
To ensure an equitable and efficient provisioning system	Decentralised equitable effective and fair procurement system Procurement strategies that allow BEE enterprises to participate in the Department's procurement system	75%	90%	100%	100%





OBJECTIVE	INDICATOR	ACTUAL 2004/2005	TARGET 2005/2006	ACTUAL PERFORMANCE 2005/2006
TRANSPORT AND OFFICE SERVICES				
To ensure improved transport management at all Institutions	Number of managers trained.	180	90	50% of managers were trained at various hospitals
Control the purchasing of vehicles	Number of vehicles procured.	819	850	400 for Pool Vehicles 338 for EMRS 106 vehicles outstanding
Introduce the implementation of a vehicle replacement policy	Number of vehicles boarded.	300	220	220 vehicles were withdrawn and replaced.
Prevent misuse of Government vehicles	Number of vehicles impounded.	100	84	84 vehicles were impounded and released by the RTI authorities 4 vehicles are still impounded with the RTI and awaiting to be released.
To decentralise the license renewals	This KRA has been completed as the department would be expected to pay the costs of R60.00 per vehicle.	100%	100%	90% of the applying and receiving of license renewals have approved since each District is applying for their own vehicles licenses under their control.



Programme 2



District Health Services





AIM

The aim of this programme is to provide comprehensive, integrated and sustainable health service based on the Primary Health Care Approach through the District Health System. The key strategies of this programme are prevention of ill-health, providing accessible and affordable health care for those who fall ill and a gateway to other levels of care and treatment that are available within and outside the District.

The key components of District Health Services are: Health Delivery Systems, Regional and District Hospital services, PHC Clinic Services, Community-based services and EMRS. One of the critical success factors of the Department of Health is to implement policies & programmes that facilitate delivery of responsive health services. This has been achieved by strengthening programmes focusing on reduction of morbidity and mortality from communicable and non-communicable conditions.

A key feature of this programme is its critical linkages with community, individuals and government, non-government, and faith-based organisations in seeking to deliver sustainable health services. To promote human dignity, programmes are aligned to Batho Pele, Patients' Rights Charter. Prominent among these is the integration of health and development issues into the Integrated Planning of Local Government.

ANALYTIC REVIEW

Six hospitals are on the revitalisation programme. The inclusion of the Ladysmith Madadeni and Newcastle complex will ensure access to regional hospital services to the lower parts of Zululand and Umzinyathi. The strengthening of regional services in the uMgungundlovu district will ensure regional services to the Sisonke district.

Service delivery transformation plans have been developed at regional hospitals and have been utilised to inform the development of the District Health Plans. Continual quarterly review of the service delivery transformation plans will strengthen the quality improvement initiatives at regional hospitals.

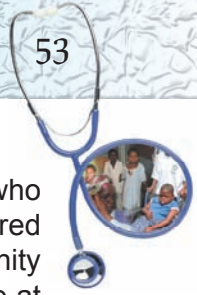
Governance of hospitals: all regional hospitals have complete management teams. Hospital Boards are functioning in most regional hospitals while the remaining hospitals have been advised to ensure the reconstitution of non-functioning boards and ensure the process follows the KZN DOH regulations.

Provincial Policy enunciates the Presidential Mandate of poverty alleviation and rural development. Therefore more Community Service Officers have been allocated to rural areas to achieve the mandate and to bring improved quality health care close to the Community. Poverty increases illness therefore Community Service Officers are urgently required in these areas.

Provincial Hospital Services

- Improve the management of human resources
- Improve hospital information management systems
- Improve financial management systems
- Improve quality of hospital services
- Improve infrastructure of hospitals
- Promote good hospital governance
- Strengthen communication and improve the marketing strategy for hospital services
- Improve monitoring and evaluation of hospital performance





A constraint is the inability of some senior staff to regard Community Service Officers as a resource who must be retained in this province's health service. Community Service Officers need to be mentored academically and psychosocially which is a universal right of dignity to be extended to Community Service Officers as well. Community Service Officers must have sufficient training and attendance at courses so that they may be retained in our province and country. Hospitals must include their training budget in their strategic and business plans. Funds may be accessed from skills development.

Province has achieved improved geographical equity with more Community Service Officers placed in deep rural areas. 50% of the clinics have medical officer coverage which has risen by 30% in the past 2 years.

To attain the primary objective the Programme included screening for Blood pressure, blood sugar levels and eyes in all the awareness events. Clients who were identified to have problems were referred to the appropriate clinics.

The Programme embarked on a cataract outreach programme. This is done in collaboration with SA Air Mercy Services and the private Ophthalmologists.

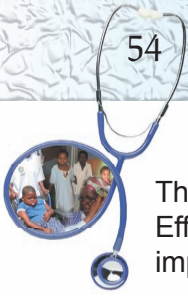
Cataract operations were performed at 3 hospitals, namely: - Dundee, Christ the King and Catherine Booth Hospitals. The outreach programmes benefited the community who would have had to travel long distances at a cost to access the services.

The quality of life of older persons is addressed by re-enforcing community geriatric awareness and developing the elder abuse training manual. The provision of flu-vaccine in all the hospitals is still a challenge that needs to be improved.

Environmental Health Services renders services for the management of Environmental Health which includes:

- Malaria Control,
- Port Health,
- Control of Hazardous Substances, as well as providing support for the provision and improvement of Environmental Health Services in order to ensure a safe and healthy environment that supports human health in the Province.
- There is very slow progress with the transfer of Municipal Health Service (MHS) function to the District and Metropolitan Municipalities. The source of Funding for District Municipalities to provide an essential level of municipal health service has still not been clarified. The Provincial Health Department continued to provide funds for this function in the 2005/06 Budget only in respect of the areas which the Department traditionally served.
- There is increasing resistance by Local Communities in the Malarious areas to the indoor residual house spraying because of smell and the discolouration of walls.





The Programme continued its effort in facilitating the acceleration of Healthy Lifestyle Promotion. Efforts have been made to strengthen the District Health promotion capacity and expertise in the implementation of integrated Health Promotion strategies and interventions.

Whilst there are no dedicated Health promoters on District level, it has been noted that efforts are being made to mobilise all categories of staff in the implementation of Health education and awareness programmes.

The Health Promoting Schools programme has been strengthened and progress has been made in increasing the number of accredited schools in the Province. However, more effort needs to be made in sustaining the accredited schools and to obtain the full participation of the Department of Education and other role-players. Other Health programmes involvement is also needed to strengthen the Provincial Assessment process.

The Health Promoting Hospitals (HPH) Programme initiated the roll – out to 4 additional hospitals in December 2005 and the data collection and completion of the Self Assessment Tool is in the process of being completed. The progress of the HPH programme was dampened with the attrition of staff and the stability of the HPH committees was severely affected. Many of the HPH committees within the hospitals are in the process of being reconstituted and members are being orientated in the HPH process. The lack of Hospital management support in some instances has also resulted in little action in the implementation of HP programmes.

The Health Promoting Clinics (HPC) Pilot Project was initiated in 5 clinics and the draft assessment tool was used. The results of the implementation of the tool and the HPC process is to be shared in a capacity building workshop in order to finalise the tool and roll out the programme.

The promotion of Health literacy through use of mass mobilisation and mass communication has been ongoing and successful in reaching all communities within the province.

Healthy Lifestyle events were held in accordance with the Health Calendar and “Vuka SA - Move for your Health” campaign was incorporated into these events. However, the planning and logistic arrangements for each event is time-consuming and a dedicated Events Co-ordinator, with support staff needs to be appointed to ensure the smooth running and integration of various programmes and sectors in the events.

The National Health Promotion Policy is in draft and is still awaiting finalisation.

The National Health Promoting Schools Programme is also in draft and awaiting finalisation.

Despite the above, progress in Health promotion programmes has been noted within the Province.

- To facilitate the acceleration of Health Promotion & Healthy Lifestyle interventions in all settings.
- To promote health literacy by facilitating the development, production and dissemination of information, education & communication (IEC) materials / messages / resources.
- To build capacity in Health Promotion.
- To network and provide support & expertise to all role players in the implementation of integrated HP programmes.
- A wide range of health care professionals & volunteers within the Districts provide Health Promotion. There are no dedicated health promoters, however the Community Health Workers are the primary health promoters; at grass roots level.
- There is a need for the appointment of dedicated District & Sub District Health Promotion Coordinators to ensure the effective coordination and implementation of integrated HP interventions.
- Additional HP Managers are also needed on provincial level to facilitate the implementation of Health Promoting Clinics Programme and the Health Promoting Hospitals Programme.



- The Health Literacy programme which includes the production & distribution of IEC materials / messages needs to be fully inclusive of all programmes and District and Sub District depots and systems need to be in place. District HP Resource Centres need to be established to ensure the effective distribution & availability of IEC materials and resources to the public.
- Health events need to be managed and directed by a dedicated Events Manager, with support staff, to ensure the involvement of all role- players and mobilisation of resources for these events.
- To provide comprehensive care, treatment and support for people affected by HIV and AIDS through the strengthening of the National Health System.

Implementation of the comprehensive plan for care, management and treatment for HIV and AIDS infected and affected individuals has progressed rapidly since the programme started. Access to care has been created for patients to access services such as ART, which has been achieved following the process of accreditation of these sites. To date 55 hospitals and 5 CHC's have been accredited to provide ART, and as a result of this there are currently 32,000 patients on treatment in the province. In all districts there are fully functional ART sites.

VCT services are offered in all public health facilities. The expansion of the non-medical sites is limited due to the shortage of professional nursing staff to service these sites.

Male and female condom distribution has increased to exceed 30 million and 200,000 respectively, further strengthening the STI programme. Distribution points have been expanded to include campus clinics, general practices, and non-medical sites.

Social mobilisation efforts around HIV and AIDS have been integrated with the promotion of healthy lifestyles. Meaningful gains have been made in the taxi industry as well as the labour and business sector. Great strides have been made in gaining working partnerships with the farming sector in particular.

The Programme trained different categories on nutrition interventions. 171 professionals including nurses, doctors, dietitians and nursing educators were trained on management of severe malnutrition. 5000 community health workers were trained on growth monitoring and given scales 647 Professional and enrolled nurses from all PHC facilities were also trained on all nutrition interventions, including 49 professional nurses that were trained on lactation management.

The Programme provided equipment and educational material to facilities. The equipment included dolls for breastfeeding training, electronic scales to all hospitals and PHC facilities, BMI wheels and length mats to all hospitals for effective assessments, anthropometric measurement kits to all dietitians and IEC materials on nutrition. The Programme also developed radio messages on folic acid, child health, Vitamin A, food fortification, iodine and breastfeeding.

There has been an overall increase in the coverage of Vitamin A supplementation for age groups 6-11 months, 12-60 months and postpartum mothers. Growth monitoring coverage has also increased. 8 hospitals were awarded the Baby Friendly status and 6 were re-assessed and sustained the status. More than 60 clinic gardens were implemented in 2005/06. 73% of facilities including municipality clinics have gardens. 200 groundsmen were trained on gardening as part of the programme. PEM beneficiaries are assisted with skills at garden sites and are given seeds and seedlings to initiate similar projects at home. They also receive the produce and some of the produce is sold to sustain the gardens. Most Districts have initiated soup kitchens from these gardens and the beneficiaries are mostly the TB patients and this has improved treatment compliance.





Food and micronutrient supplements were given to 95 920 adults and 78 912 children including those with HIV and AIDS.

The guidelines on health facility based nutrition interventions were revised to ensure all nutritionally at risk individuals receive appropriate and prompt care and support.

The 50 000 IU Vitamin A is now available for all infants below 6 months that are not breastfed.

The new infant and young child policy will soon be circulated; it is at its final stages of completion. It incorporates issues of HIV and AIDS and other children in difficult circumstances. The food service policy has been finalized to improve the quality and standard of food service in hospitals.

- Shortage of dietitians in the Province. Only 47 available covering 37 hospitals. 10 ARV hospitals have no dietitians. Unless the salary levels of dietitians are revised, the Province will continue to lose dietitians to other Provinces with improved scales.
- The exodus of nurses also makes it difficult to assess and support patients timeously. The very needy patients are unable to access the support, especially the supplements that would alleviate the symptoms of disease
- Reaching 100% coverage for 12-59 months remains a challenge due to this age group not returning to clinic post the immunization period.
- It has also proved challenging to sustain the BFHI as trained nurses leave the service for greener pastures.
- Districts also take too long to procure the garden implements and seeds and delay the implementation of the food gardens. Districts also delay the procurement of supplements causing frustration at implementation level

The Province experienced an Outbreak of Measles in 2004/05, which extended into 2005/06. A total of 2,7 million children from 6 months to 15 years were immunised in the affected areas. The last case of confirmed measles occurred in eThekweni in December 2005. Officially, eight deaths due to measles were reported during the eighteen-month Outbreak.

The Measles Outbreak demonstrated that the Province has to consistently reach 90% immunisation of the targeted population over a sustained period to obtain elimination of the Measles virus, and that response to the cases and outbreaks has to be rapid.

It has also brought to light that the quality of data collected at the service level is doubtful.

The denominator and population numbers have also been debated due to this outbreak. The National EPI unit will be changing to S.A. Statistics population figures to better measure coverage rates. Provincial Immunisation coverage has been recorded at an average of 80% throughout the year (using DHIS data). Districts are monitoring the service area coverage to identify low coverage areas.

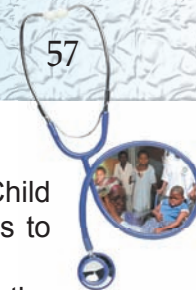
The Reach Every District Strategy (RED) has commenced in the Province as a strategy to increase immunisation, growth monitoring and Vitamin A coverage.

Fifty-seven cases of Acute Flaccid Paralysis (AFP) were fully investigated which is above the expected number of cases per population for KwaZulu-Natal. No cases of Polio were confirmed through these investigations. The target has now increased to identifying 66 Acute Flaccid paralysis cases per annum in an effort to reach the status of a "Polio Free Country" Neonatal Tetanus remains a rare condition; five cases were reported in 2005. Elimination status is retained in KwaZulu-Natal. Local responses were carried out in each area.

Adverse Events Following Immunisation (AEFI's) is investigated to ensure the standards of practice are maintained and damage control is effective. Some districts are responding too slowly to ensure effective damage control especially where the consequences are serious.

Three AEFI deaths were reported in 2005. A total of 51 cases of AEFI were reported; some 2005 reports from Districts have not been submitted. One district has been a "silent" District, which is a concern. Most AEFI's are as a result of poor technique of giving BCG vaccine to newborns.





Five hospitals are participating in the collation of data for the Saving Children's Report, using the Child Health Problem Identification Programme. This is an audit and reporting tool using child deaths to appraise services and identify problems.

A total of 18 Integrated Management of Childhood Illness courses have been offered throughout the Province, as well as two courses for Medical Officers. Training is slowly improving coverage of services with appropriately trained personnel.

Forty-six percent of professional nurses working in the clinics have been trained in this approach. 34% of PHC Clinics now have 60% of nurses trained to use the IMCI Case management algorithm; with 75% of PHC clinics with at least one person trained.

An IMCI Health Facilities Review was completed this year.

The development of the IMCI Community Component has been very slow. However good progress is being made in Sisonke in the Underberg area, Uthungulu in the Nkandla area, in Ilembe District in the Ndwedwe area and in Umkhanyakude. These successes have been due to the intervention being commenced by an NGO, rather than the Health Department.

In 2005, 258 Maternal deaths were notified (to date) Late notifications are still expected. All deaths were assessed in a confidential manner and are assessed for quality before being forwarded to National Health Department for inclusion in the "Saving Mothers Report."

Twenty-five Hospitals are implementing the audit method using "Perinatal Problem Identification Programme" (PPIP) and have submitted data for the publication of the National "Saving Babies Report". The perinatal mortality rate remains unacceptably high in many services.

The Neonatal care Experiential learning site at Lower Umfolozi Hospital was commissioned in 2005 and two sets of participants have gone through the learning experience.

The Provincial Cervical Cancer Screening Policy was distributed to all Districts with intensive training and training materials. All districts are showing some improvement in numbers of women screened. Although data remains incomplete, the Province has reached at least 33% of the targeted women (10% of women over 30years annually) during this financial year.

A Termination of Pregnancy (TOP) training course was facilitated through ipas, this year. Access to termination of Pregnancy services is slowly increasing. The values clarification workshops for HIV and PMTCT have included aspects of TOP and many more requests for training have been received. Two more practical learning sites for manual evacuation and counselling have been set up to assist with skills training in the province.

The development of Youth Friendly services is paramount in making services and health information available and accessible to young people. The teenage pregnancy rate is reported at 440/ 1 000 in KwaZulu-Natal.

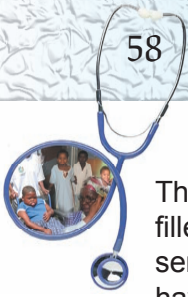
9,6% of all births in KZN are to women below 18 years of age. About 29% of contraceptive users are women below 19 years of age.

The Province has 117 services implementing Youth Friendly services and working toward accreditation. Services already accredited are 31, of which 4 were gold standard awards. In ten Districts, a Team for Quality Improvement to assist with Youth Friendly service development was established and all districts now have experiential learning sites.

This component has done well in this year. All except one District are offering full school health services. Data coming from Districts has improved.

The first training course for School Health nurses was run this year for 25 nurses, with input from various programmes to ensure expert knowledge and skills development.





The Province now has one qualified Human geneticist, it is hoped that the post will be advertised and filled as soon as possible to commence outreach services in the Province. Development of genetic services has been lagging behind due to the medical school not being able to offer the courses as there have been no trained Human Geneticists in the Province, and due to the lack of trained personnel, both doctors and nurses.

- The Provincial IMCI Review undertaken in 2005 revealed that implementation of the case management was generally poor and that supervision of clinical skills was lacking.
- Staff attrition rates have eroded the skills base, particularly in nurses trained in IMCI and Sexual & Reproductive Health.
- Due to loveLife losing the National tender to support Provinces in the development of Youth Friendly Services little accreditation of services has occurred this year.
- Development of a comprehensive Genetic Service remains a challenge in the light of many other needs in Maternal, Child and Women's Health, and no appointed Human Geneticist.
- Although access to TOP has improved, not all Districts have a service as yet. Some nurses trained this year have not completed their practical training, in spite their managers reporting that they were committed to facilitating the development of a TOP service.
- Ensuring quality service, supervision and coaching remains a challenge.
- Using Statistics South Africa denominators will result in 7 districts not reaching an immunisation level of 80%, all except one District will not meet the target of 90%. It will be a huge challenge to improve coverage and to improve accurate reporting of data.
- Quality of available data and accurate collection of data is problematic in all areas of maternal, child and Women's health areas.

The PMTCT interventions are available in all Hospital services, in 100% of Clinics, except for 19 clinics in eThekweni. All systems to support the pMTCT interventions are in place.

The indicators measuring the implementation of pMTCT have fallen due to the correction of the dominators that were previously used.

Coverage of pregnant women attending public service clinics and hospitals being counselled and tested for HIV was 63% in 2005. Pregnant women found to be HIV positive, when tested during pregnancy was 42%. In the National sero-prevalence survey of Antenatal women, 41% were found to be HIV positive in KZN.

Post Exposure Prophylaxis.

Training from Provincial level has been made available to all Districts and all Hospital services. Additional funds for furnishing of crisis clinics and counselling rooms given to facilities. Medication and protocols have been distributed to all services.

Approximately 40% of pregnant women in the Province should be accessing the PMTCT interventions, yet only 60% of that target was reached in 2005. Coverage of women being tested in pregnancy needs to be increased.

The training of staff members to implement PMTCT interventions has not met a minimum level of 60% of staff members; many health workers have not completed the course offered within Districts and Facilities.

The Quality of on-site testing for HIV has not met the standard at on-site testing facilities. A Quality Control measure will be introduced

Less than half of the Facilities are reporting regularly and data is incomplete.

Integration with other services to sexual-abused survivors needs to occur, as well as integration with occupational services at hospitals for occupational exposed health workers.





- Policies:** The Provincial Oral Health Strategy was adopted in the period under review and is implemented in all Districts.
- Priorities:** The priorities are to audit the equipment and instrumentation levels of all facilities and standardize these against a norm.
- Challenge:** The challenge is the lack of Procurement skills at institutional level / district level in obtaining highly specialized equipment and instruments from a very limited group of suppliers.
- Constraints:** Institutional and hospital budgets do not set aside funds for the dental clinics for effective delivery of the Oral Health Care Package. The District Programmes budgets are combined with other Programme budgets and accessing funds has proved to be problematic.



Table 9: Programme Performance: District Health Services

OBJECTIVE	INDICATOR	ACTUAL 2004/2005	TARGET 2005/2006	ACTUAL PERFORMANCE 2005/2006
To develop a strategic and implementation plan in line with the DHS vision and mission, for the effective co-ordination of service delivery at district level	% of Districts	100%	For all Districts 100%	100% achieved
To ensure the implementation of a clear policy for the DHS throughout the Province	% of Districts	70%	For all Districts 100%	100% achieved
To ensure availability of PHC Services throughout the Province	% of Districts	50%	For all Districts 100%	90% of access to services achieved
To ensure that all programmes have an operational plan for decreasing morbidity and mortality	% of Districts	100%	100%	All Districts have operational plans (100%)
To put in place a monitoring tool to continuously monitor the status IMR, PMR, MMR, u-5M, ANC visits,	IMR-Deaths/1000	52.1/1000	35/1000	52.1/1000
	PMR-Deaths/1000	-	37/1000	43/1000
	MMr-Deaths/100000	150/100 000	120/100000	127/100000
	n-5M-Deaths/1000	74.5/1000	40/1000	74.5/1000
	ANC visits-Number of visits/pregnant	-	4 p.a. (96%) w)	4
To develop and implement a workplan for the assignment/ devolution of PHC functions to local government	Devolution of PHC services to Local Government for which Phase 1 is eThekweni % of Municipalities	n/a	Devolution of functions have not been achieved	To put in place a monitoring tool to continuously monitor the status IMR, CMR, PNMR, MMR, ANC visits.





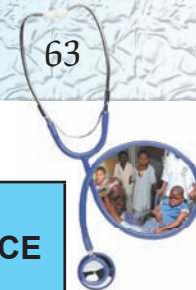
OBJECTIVE	INDICATOR	ACTUAL 2004/2005	TARGET 2005/2006	ACTUAL PERFORMANCE 2005/2006
To develop strategies to ensure relationship between the DHS and institutions at all levels	% Integration	75%	75% Integra-tion	100% Integration of services at District level
Utilisation of appropriate CHW Human Resources to support provision of PHC	No. of CHWs	4135	6010	4135
Equitable and effective access to PHC services	No. of CHCs	-	15 CHCs	14 CHCs
	No. of Clinics	-	50% of Dis-tricts	64% (7 of the 11 Districts)
	No. of 24 Hr Clinics	-	74	26
	No. of Mobile Clinics	-	180	136
Community participation in the governance of service rendering facilities at level 1	% of Level 1 facilities with Community participation	87%	100%	90.5%
Integrated Health Pro-motion Strategy implementation for all DHS programmes	Provision of transverse health pro-motion Pro-grammes	100%	80%	100%
Provision of Medical Officer Services which is accessible at al clinics and CHCs	% of clinics which have a Medical Officer visit at least every 2 weeks	35%	70%	50%



Table 10: Programme Performance: Community Health Programmes

OBJECTIVE	INDICATOR	ACTUAL 2004/2005	TARGET 2005/2006	ACTUAL PERFORMANCE 2005/2006
CHRONIC DISEASES AND GERIATRICS				
To increase cataract surgery rate in KwaZulu-Natal	No of trained Ophthalmic Medical Officers	3	4	4
To provide low vision services at all Sight Saver Centres (Hospitals)	No of Districts with Low Vision Services	4	5	5
All hospitals to provide Flu Vaccines to older persons and persons at risk	% of health facilities providing flu-vaccines	50%	60%	50%
To improve the availability of chronic medication	% of PHC facilities providing chronic medication	97%	100%	100%
To increase community geriatric awareness	at least one community awareness event per district per year	8	11	11
To facilitate the procurement of cataract equipment	No of fully equipped Sight Saver Centre per district	7	11	11





OBJECTIVE	INDICATOR	ACTUAL 2004/2005	TARGET 2005/2006	ACTUAL PERFORMANCE 2005/2006
COMMUNICABLE DISEASE CONTROL				
Improve staffing capacity at both provincial and district level	No. staff appointed	1 Provincial CDC surveillance officer 17 District CDC surveillance	1 Prov CDC Technical officer 1 Prov CDC Secretary 40 Sub District CDC coordinators	1 Prov CDC Technical officer 1 Prov CDC Secretary 40 Sub District CDC coordinators – not done because of the restructuring process
Train HCWs in CDC guidelines	No. staff trained	Rabies – 221 Food poisoning – 280	Rabies 300 Food poisoning 300 Diarrhoeal control programme 300 Measles data base	Rabies 346 Food poisoning –not done Diarrhoeal control programme – 380
Implement district based surveillance information systems	No. of districts implementing surveillance systems	Nil	Implemented in 4 sentinel sites in each district	Measles data base – designed but not implemented
Implement diarrhoea control programme	No. districts implementing	Nil		Not implemented





OBJECTIVE	INDICATOR	ACTUAL 2004/2005	TARGET 2005/2006	ACTUAL PERFORMANCE 2005/2006
COMMUNICABLE DISEASE – TB CONTROL				
Case detection and TAT of less than 48 hours	All clinics have TAT < 48 hrs	84%	100%	73%
Standardized short course chemotherapy for all TB cases including DOT	All patients have access to TB medication	100%	100%	100%
Efficient and effective electronic recording system	All districts implementing the Electronic TB register system	100%	100%	100%
Community participation and support in TB programmes	All patients have their own DOT supporter	73%	90%	95%
Improve TB diagnosis by sputum examination	Bacteriological coverage	78%	80%	78%
Improve the collection of sputum specimens from the peripheral/rural health facilities to the laboratory	% of facilities getting transport 3x weekly	73%	100%	86%
Decentralize TB services to PHC facilities	% of clinics implementing TB control	79%	100%	94%





OBJECTIVE	INDICATOR	ACTUAL 2004/2005	TARGET 2005/2006	ACTUAL PERFORMANCE 2005/2006
ENVIRONMENTAL HEALTH SERVICES				
To strengthen the capacity in Health and Hygiene education in all Districts	No. of staff trained in PHAST Methodology	10	100	98
To establish mechanisms for the development of hazardous substances control programme	A finalized strategy document for the development of the programme	20%	50%	70%
To reduce the incidence of Malaria by 1 per 1000 population	Incidence of Malaria	7 per 1000	6 per 1000	4/1000
To develop and maintain environmental health management information systems.	A finalised EHMIS	20%	50%	50%
To strengthen and develop full capacity for Port Health Services	No. of designated Ports of Entry with comprehensive service	3	4	4





OBJECTIVE	INDICATOR	ACTUAL 2004/2005	TARGET 2005/2006	ACTUAL PERFORMANCE 2005/2006
HEALTH PROMOTION				
To provide support & guidance in implementing integrated Healthy Lifestyles programmes.	No. of Provincial HP Meetings held.	12 monthly meetings.	12 monthly meetings.	12 meetings held with representatives from the Districts & in collaboration with other Programmes.
	No. District HP Forums established.	10	11 (1 per District)	12 District HP Forums established. (1 per District)
	No. of capacity building meetings held with District HP Forums.	11 meetings held.	At least 1 meeting held per District per month.	14 meetings held with District HP Forums to provide technical expertise and guidance for the implementation of integrated HP activities.
	No. of District HP Assessment Teams established.	10	11	Each District has established a HP Assessment Team that conducts District HP Assessments of Schools, before the final provincial accreditation.
To facilitate & monitor the implementation of the Health Promoting Schools Programme.	No of Secondary schools participated in Schools Essay Competition. (Topic: Teenage pregnancy in SA)	132 schools participated in the "TB in SA" Essay Competition.	132 schools	132 schools participated in the Competition. A Provincial Competition was held in Sisonke District and Provincial winners were chosen and awarded certificates & prizes.
	No. of Provincial HPS Assessment Team meetings held.	1 meeting per Quarter.	1 meeting per Quarter.	All meetings held and provincial assessments completed.
	No. of Schools complying with Quality index requirements for (HPS) Programme.	14 schools	20 schools	20 schools were designated as Health Promoting schools.
To facilitate and monitor the implementation of Health Promoting Clinics Programme.	Pilot Project: implementation of Draft Assessment tool in 5 clinics.	Capacity building meetings held with 5 clinics.	5 clinics to complete assessment and finalise tool.	Assessment Tool implemented in 5 pilot clinics. Efficacy of tool tested and to be finalised.





OBJECTIVE	INDICATOR	ACTUAL 2004/2005	TARGET 2005/2006	ACTUAL PERFORMANCE 2005/2006
HEALTH PROMOTION				
To facilitate & monitor the implementation of Health Promoting Hospitals Programme.	No. of Hospitals complying with Quality Standards for HPH Programme.	6 Hospitals	10 Hospitals	Project was initiated as a pilot project in 6 Hospitals and 4 additional hospitals are being prepared for initiation into the programme.
To facilitate the promotion of health literacy in all Districts.	Information, Education & Communication (IEC) IEC materials developed, produced & distributed.	IEC materials /messages developed, produced in collaboration with Programme Managers & distributed to all Districts.	Development, production & distribution of all IEC materials / messages.	IEC materials / messages developed, produced & distributed in collaboration with programme Managers on: Diabetes Hyper Tension Care of the Elderly Healthy Lifestyle practices Immunisation Pre natal Care Ante natal Care Nits & Lice Cancer Health Promoting Schools Patient's Rights
	No. of Health Talks held in electronic media, in accordance with the Health Calendar.	56 Talks held as live broadcast. 7 Pre- recorded talks.	60 Live Talk shows. 1 Pre- recorded Talk per month.	63 Live Talk Shows presented on Radio Ukhozi. 24 Pre – Recorded Talks were also presented.
	No. of Provincial Healthy Lifestyle Events held.	13 Provincial Health events held.	At least 1 Provincial Healthy Lifestyle Event supported per month.	20 Provincial Events were provided with technical support & guidance by the programme
	No. of community based "Move for your Health" Programmes supported.	Nil (Vuka SA – Move for your Health Campaign was launched in May 2005)	At least 1 per month.	18 Events involved Physical Activity amongst staff & the public were held.





OBJECTIVE	INDICATOR	ACTUAL 2004/2005	TARGET 2005/2006	ACTUAL PERFORMANCE 2005/2006
HEALTH PROMOTION				
	No. of intersectoral /inter- departmental HP programmes held.	Inter- sectoral / inter – departmental events held in accordance with the Health Calendar.	At least 1 inter-departmental /Inter-sectoral HP event per month.	Health Promoting Schools Programmes were implemented in collaboration with Department of Education, Department of Agriculture, Department of Social Development, Planned Parenthood Association, Love Life and other health programmes. Healthy Lifestyle events were held in collaboration with National Department of Health, health programmes, private sector, NGO's and other government departments. Talks on Community Radio stations were done in collaboration with Department of Agriculture.





OBJECTIVE	INDICATOR	ACTUAL 2004/2005	TARGET 2005/2006	ACTUAL PERFORMANCE 2005/2006
COMMUNITY HEALTH WORKER				
To deploy double an additional of existing community care givers	Additional 1000 care givers trained and deployed in all 11 districts	4010	5010	No new care givers recruited due to the structure of the existing contract
To contract a master NGO provincially which will sub	A new contract awarded and TOR given to new service provider to sub-contract	Old contract operational but tender advertised	Tender awarded to new service provider	The tender was advertised and the awarding process completed. The award was appealed against to date
To develop Information Management System for community care givers reports	An Information Management Tool co-design with all programme managers . Piloting of the tool finalized	No reporting Tool (Standardised) for care givers	A draft tool to be piloted and corrected and a tool be used by the province	The tool is in use but the information system is not yet developed
To recruit and employ 11 CHW Co-ordinators in the 11 districts to manage the community care givers programme district level. 200 CHF(CHW Trainers/Supervisors) recruited	Job descriptions for Co-ordinators completed and approve by O.D. & E Unit. . Funds available for post to be filled in all districts.	. Co-ordinators seconded x11 . 200 CHF Seconded in all 11 districts	11 units 100 units	All job description completed and submitted to OD & E and returned to senior management for approval and funding.
To co-design the community care givers training curriculum at NQF 114	Curriculum co-designed with NDOH & HW SETA at NQF Level 4 completed and distributed to be used for training	0%	100%	Curriculum has been completed but not released by NDOH.(Still with printers)





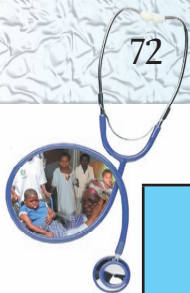
OBJECTIVE	INDICATOR	ACTUAL 2004/2005	TARGET 2005/2006	ACTUAL PERFORMANCE 2005/2006
QUALITY ASSURANCE, ACCREDITATION & INFECTION CONTROL-REGIONAL HOSPITALS				
Assess quality of service delivery in line with norms and standards	% of hospitals compliant with set norms & standards	40%	60%	65%
Ensure implementation and monitoring of infection control policies and procedures	% of hospitals with effective infection control programmes	50%	60%	65%
Institute quality measurement systems in health facilities(Hospitals and CHCs)	% of facilities (Hospitals and CHCs) with quality measurement systems	45%	68%	70%





OBJECTIVE	INDICATOR	ACTUAL 2004/2005	TARGET 2005/2006	ACTUAL PERFORMANCE 2005/2006
COMMUNITY SERVICE OFFICER				
To implement 2yr internship training in applicable hospitals	No. of hospitals that have 2yr internship	5 hospitals exceeded target by 2	7	100% exceeded target
To ensure development of hospital complexes for internship training	No. of complexes developed	2	4	100%
To increase the number of interns trained in KZN	No. of interns trained	350	450	100%
To develop and implement intern mentorship plan in KZN	No of hospitals implementing plans	4	9	100%
To increase no. of facilities with CSO's in rural areas.	No. of facilities with CSOs in rural areas	19	25	100%
To implement CSO Skills Audit to ensure long learning in KZN hospitals	No. of hospitals implementing skills audit	25	30	100%
To implement and monitor CSO induction in KZN hospitals	No. of hospitals with induction	30	30	100%
ICD10 Training	No. of hospitals trained	64	64	100%
Medical Boardings	No. of Medical Boardings done	All boarding submitted and completed		100%





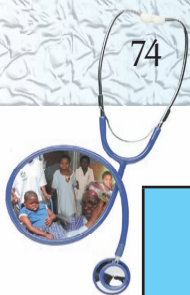
OBJECTIVE	INDICATOR	ACTUAL 2004/2005	TARGET 2005/2006	ACTUAL PERFORMANCE 2005/2006
MATERNAL, CHILD AND WOMEN'S HEALTH				
Maternal Health				
· Sustain Maternal Mortality at 144/100 000 in the face of HIV pandemic.	Maternal Mortality Rate Perinatal mortality rate	150/100 000	120/100 000	127/100 000
· Increase the % of pregnant women attending Antenatal care before 20 weeks.	% of women attending Antenatal care before 20 weeks	29%	40%	48%
· Increase access to Termination of pregnancy services	No. of termination of pregnancy services	16 public services and 6 private services	22 public services	19 public services 6 private
Neonatal Health				
· Sustain elimination of Neonatal Tetanus.	Number of Neonatal cases per district	1 case investigated and confirmed	Less than 1 cases per 1 000 live births per district	6 cases investigated and confirmed
· Reduce neonatal mortality	Neonatal mortality rate	9,7 per 1 000	9.5 per 1 000	10.3 per 1 000
Child Health				
· Improve access to care through the implementation of IMCI	% of professional nurses in PHC clinics trained in clinical management (IMCI) % of clinics with one IMCI trained nurse	32% Prof PHC nurses IMCI trained. 65% of clinics with one IMCI trained nurse	50% Prof PHC nurses IMCI trained 75% of clinics with one IMCI trained nurse	46% % Prof PHC nurses IMCI trained. 75% of clinics with one IMCI trained nurse
	% clinics with 60% of Prof nurses IMCI trained	19% clinics with 60% of Prof nurses IMCI trained	28% clinics with 60% of Prof nurses IMCI trained	34% clinics with 60% of Prof nurses IMCI trained
· Improve home based care for sick child by developing Community Component of IMCI	Number of community projects.	Five Districts with projects	Eight Districts	Five Districts with projects





OBJECTIVE	INDICATOR	ACTUAL 2004/2005	TARGET 2005/2006	ACTUAL PERFORMANCE 2005/2006
MATERNAL, CHILD AND WOMEN'S HEALTH				
<p>Decrease the mortality & morbidity caused by inherited disorders</p> <p>Expanded programme of Immunisation</p> <ul style="list-style-type: none"> · Achieve 90% coverage of children under one year for the primary series of immunisation in every district. · Drop out rate less than 10% between doses. · Increase surveillance of AFP to full investigation of 66 cases. (target changed in October 2005) · Sustain reporting and investigation of suspected Measles cases. · Investigate and respond to Neonatal tetanus cases 	<p>Number of birth defect sentinel sites</p> <p>% of children under 12 months fully immunised</p> <p>Dropout rates between 1st & 3rd DTP, and 1st & 2nd Measles</p> <p>Cases of AFP fully investigated % with adequate stool specimens</p> <p>% of suspected measles cases fully investigated. Number of confirmed cases</p> <p>Number of neonatal tetanus cases investigated</p> <p>Number of neonatal cases with appropriate community response</p>	<p>23 Birth surveillance sites</p> <p>89% using DHIS denominators.</p> <p>14,2% between DPT doses 1 & 3</p> <p>14,9% Between Measles doses 1 and 2</p> <p>43 cases investigated 39 cases with adequate stools 91% stool adequacy.</p> <p>617 suspected measles investigated. 268 confirmed cases</p> <p>1 case of confirmed neonatal tetanus</p> <p>Full immunisation response on community level completed.</p>	<p>26 Birth surveillance sites</p> <p>90% coverage in each District</p> <p>Drop out rates less than 10% between doses.</p> <p>35 cases fully investigated. (Target changed in Oct. 05 to 66 cases)</p> <p>100% of cases investigated</p> <p>Number of cases limited to 1 per district in 10 000 births</p> <p>Community response to all confirmed cases.</p>	<p>23 Birth defect surveillance</p> <p>Provincial coverage: 88,5% DHIS dominators 6 Districts below 80% using StatsSA.</p> <p>13% between DPT doses 1 & 3 21% Between Measles doses 1 and 2</p> <p>57 cases fully investigated. 48 cases investigated 84% stool adequacy.</p> <p>628 Suspected cases investigated 205 Cases confirmed as measles</p> <p>6 cases of confirmed neonatal tetanus in the Province.</p> <p>Districts respond to all 6 cases on a community level.</p>





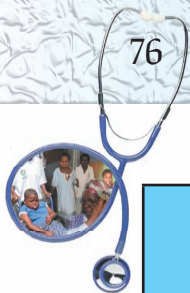
OBJECTIVE	INDICATOR	ACTUAL 2004/2005	TARGET 2005/2006	ACTUAL PERFORMANCE 2005/2006
MATERNAL, CHILD AND WOMEN'S HEALTH				
<ul style="list-style-type: none"> Investigate all reported cases of Adverse Events Following Immunisation 	Percentage of Cases of Adverse events following Immunisation investigated within 48 hrs by District AEFI teams.	52 AEFI cases report. 70% of cases investigated within 48 hours	100% cases investigated within 48 hours.	51 AEFI cases reported, 77% fully investigated within 48 hours
<ul style="list-style-type: none"> School Health 	% of schools visited by school health services	No reliable data	20% of schools in 2005	No reliable data
<ul style="list-style-type: none"> Implement the National School Health Policy by providing basic screening services to school children in grade R/1 	% of districts implementing school health policy	90% Districts	90% of Districts	90% of Districts
<ul style="list-style-type: none"> Reduce barriers to learning through screening children in Grade R/1 	Number of youth friendly services	24 accredited.	47 accredited	31 clinics accredited
<ul style="list-style-type: none"> Adolescent Health 	Number of implementing clinics	No reliable data	110 clinics	117 clinics implementing
<ul style="list-style-type: none"> Women's Health 	Number of nurses in service trained in integrated sexual & reproductive health		One person trained in each clinic.	
<ul style="list-style-type: none"> To increase contraceptive coverage, including emergency contraception and dual protection, to reduce unwanted pregnancies, termination of pregnancies, STI/ HIV infection and cancer of the cervix 				





OBJECTIVE	INDICATOR	ACTUAL 2004/2005	TARGET 2005/2006	ACTUAL PERFORMANCE 2005/2006
HIV AND AIDS, STI AND TB (HAST)				
Number of facilities providing ART	Hospitals, CHC's and Clinics	40	50	55
Number of ART service point refurbished	Hospitals	0	0	0
Cost of ARV Drugs procured (consider review – indication and objective does not relate)	Number of Patient on treatment	8 973	19 880	34 000
Cost of laboratory services for CD4 counts (ART)	No. of tests performed	59 266	86 795	187 478
Cost of laboratory services for viral loads (ART)	No. of tests performed	9 722	33 941	47 800
Detailed training plan and training implementation (ART)	Meetings, training manuals, training sessions	All ART service point	All ART service point	All ART service point
Number of viral load tests done (ART)	No. of tests performed	9 722	33 941	47 800
Number of CD4 tests done (ART)	No. of tests performed	59 266	86 795	187 478
Number of ARV drugs procured	No. of patient	8 973	19 880	34 000
CD4 turnaround time (ART)	No. of hours	144 hours	<144 hours	<144 hours
To roll out and improve the quality of VCT in all our institution and increase the number of non-medical sites by 5 in all Districts	Number of new non-medical sites	50	77	58
To appoint skilled Lay Counsellor at all facilities for optimal VCT services	Number of skilled Lay counsellors appointed	1300	2600	1787
To roll out VCT to all institutions	% facilities offering VCT	100%	100%	100%
To decrease the STI incidence of STIs.	% of public facilities where condoms are freely available.	100%	100%	100%





OBJECTIVE	INDICATOR	ACTUAL 2004/2005	TARGET 2005/2006	ACTUAL PERFORMANCE 2005/2006
HIV AND AIDS, STI AND TB (HAST)				
	% of facilities of all types offering syndromic management of STIs	100%	100%	100%
	% of health care workers trained in STI Management.	40%	40%	50%
Provision of STI syndromic management through Campus clinics at Tertiary Institutions.	Number of sites	0	3	3
Establishment of HTA intervention sites in partnership with organised labour.	Number of sites	2	3	3
Reduce STI transmission by increasing partner notification.	%	94%	100%	96%
To build capacity in the farm worker community of Northern KZN	Number of trained participants	80	300	75% trained shop stewards
Build partnership with labour federations in fighting HIV and AIDS together.	Partnership agreements signed	1	3	80% achievement
To build capacity to respond to HIV and AIDS as a workplace issue targeting shop stewards.	Number of trained shop stewards	120	350	91% trained
Ensure community mobilisation through the training of community leaders	No. of FBO leadership trained on basic HIV and AIDS information.	150	300	420
	No. of youth trained in basic HIV and AIDS information. ART	296	300	150
	No. of THPs trained on basic HIV and AIDS, STI, ART information	210	33	34





OBJECTIVE	INDICATOR	ACTUAL 2004/2005	TARGET 2005/2006	ACTUAL PERFORMANCE 2005/2006
HIV, AIDS, STI's and TB				
Prevention of mother to Child Transmission				
· Increase HIV counseling and testing during pregnancy	% of 1st antenatal visits tested for HIV	89%	90%	63%
· Increase the number of pregnant women accessing medication to prevent transmission	% of HIV positive women accessing Nevirapine during pregnancy.		100%	
	Nevirapine dose to baby coverage rate	100%	100%	56%
· Increase the number of children borne to HIV positive women accessing Nevirapine and follow up care and testing	Number of babies PCR tested following pMTCT intervention.	New procedure	100%	49%
Post Exposure Prophylaxis				
· Increase the coverage of survivors of sexual abuse with medication to prevent HIV infection, STI infection and pregnancy	% of Hospitals with crisis clinics.	100%	100%	No accurate data
	Number of new sexual abuse cases		8828 cases from 32 sites.	
	Number of sexual abuse cases put into prophylaxis.		4 078 received ART, STI and emergency contraception where required.	





OBJECTIVE	INDICATOR	ACTUAL 2004/2005	TARGET 2005/2006	ACTUAL PERFORMANCE 2005/2006
MENTAL HEALTH AND SUBSTANCE ABUSE				
To disseminate the Mental Health Care Act No. 17 of 2002	Mental health Review board will be functional.	50%	75%	50%
	District hospitals will be doing the 72 hours assessment	60%	85%	60%
	Institutions for mental health services should be upgraded.	45%	65%	45%
	Availability of the necessary collaborate forensic and juvenile services.	30%	60%	30%
	No. of workshops on Mental Health Care Act	6	6	6
Integration of Mental Health into District Health system	Percentage of PHC nurses who are trained in mental health	70%	80%	70%
	Number of public health cluster meetings attended	4	4	4
	Number of Mental Health teams in the relevant various levels of mental health care and dissolution of standalone clinics	6	8	6
To introduce strategies to address the levels of substance abuse at PHC level	Number of institutions that detoxify people with substance abuse problem.	11	22	11
	% of nurses trained on Substance Abuse Prevention and Management.	30%	40%	50%





OBJECTIVE	INDICATOR	ACTUAL 2004/2005	TARGET 2005/2006	ACTUAL PERFORMANCE 2005/2006
MENTAL HEALTH AND SUBSTANCE ABUSE				
To improve care of the acute and chronically and community based psycho-social rehabilitation services	No. of facilities upgraded with the relevant structures.	-	6	6
	No. of subsidised NGO institutions.	-	35	35
	No. of counselling services in the district.	10%	25%	40%
To formulate strategies of violence prevention on women and children	To develop guidelines on violence prevention.	10%	15%	20%
To promote strategies for reduction of suicide	To develop guidelines on strategies to reduce suicide.	-	15%	15%
ORAL AND DENTAL HEALTH				
To develop District Oral Health Plans based on National Provincial Strategy	% of Districts with District Oral Health Plans based on the guidelines	30%	60%	50%
To provide Oral Health Services to all Districts and sub-districts.	% of Districts, sub-districts providing Oral Health Services.	90%	100%	95%
To implement functional and effective clinical governance systems	· % of Districts implementing optimum infection control	30%	60%	60%
		10%	50%	30%
To establish equitable, efficient management of resources	· Clinical audit reviews	10%	50%	40%
	% of Districts providing financial support for Oral Health Services			





OBJECTIVE	INDICATOR	ACTUAL 2004/05	TARGET 2005/06	ACTUAL PERFORMANCE 2005/06
NUTRITION				
To contribute to the reduction of malnutrition in children under 5 years of age specifically				Food supplements issued to 78 912 children. These figures include HIV, AIDS & TB patients
· Children not gaining weight	No. of children not gaining weight as a %age of the total number of children weighed	1.5%	1%	1.9% (HIV and AIDS has increased the %age of this group) 0.4%
· Severe Malnutrition	Proportion of severely underweight children below -3 standard deviation of the NCHS/WHO reference median value out of surveyed number of children	0.55%	0.5	647 PHC nurses including Professional nurses enrolled nurses and PHC coordinators re orientated on Nutrition Interventions 171 health workers including doctors, nurses, dietitians and nurse educators trained on management of severe malnutrition
Ensure growth monitoring and promotion among children under 5 years	Number of children weighed as a %age of the total number of children attending PHC facilities	100%	76% under 5 years weighed. 500 electronic scales distributed to facilities
To promote, protect and support breastfeeding as a child survival strategy	No. of facilities that are baby friendly	100% of hospitals with maternity beds	31 facilities 26 (51%) of which were hospitals	39 facilities now baby friendly – 8 hospitals awarded the status in 2005/06 (67%) 49 Nurses trained on lactation management





OBJECTIVE	INDICATOR	ACTUAL 2004/05	TARGET 2005/06	ACTUAL PERFORMANCE 2005/06
NUTRITION				
To contribute to household food security	No of clinic gardens implemented	100% of PHC facilities with gardens	190 gardens implemented (42%)	335 gardens in PHC facilities (73%). These include municipality clinics. Soup kitchens developed in 4 districts. Main beneficiaries are TB patients. 200 gardeners trained. Skills transferred to chronically ill patients, DOT supporters and other unemployment members of communities
To eliminate Micro-nutrient Malnutrition deficiencies among vulnerable groups	Vitamin A Coverage under 1 year	100%	87%	101%
	Vitamin A coverage for 12-60 months group	100%	35%	26,6%
	Vitamin A coverage for postnatal mothers	100%	69%	95% Nurses re trained on supplementation Radio messages on Ukhozi, East Coast Lotus, P4 and local radio stations
To ensure quality service in all Food Service Units	No. of Food Service Units that implement Food Service guidelines	100%	0%	24 hospitals (50%) All food service managers and supervisors trained on the guidelines Systems managers in all Districts orientated on food service guidelines



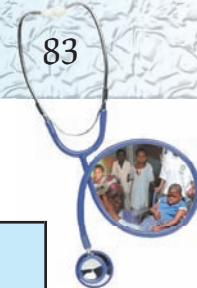
Table 11: District Health System

Indicator	Type	01/02 actual	02/03 actual	03/04 actual	04/05 actual	05/06 actual	05/06 strat plan target
Input							
Uninsured population served per fixed public PHC facility	No						
Provincial PHC expenditure per uninsured person	R	173.06	172.02	204.03	210.55		
LG PHC expenditure per uninsured person	R	7.02	7.84	7.02	11.33		
PHC expenditure (provincial plus local government) per uninsured person	R	180.08	179.86	211.04	221.78		
Professional nurses in fixed public PHC facilities per 1,000 uninsured people	No						
Sub-districts offering full package of PHC services	%						
EHS expenditure (provincial plus local government) per uninsured person	R	7.63	7.95	7.69	9.65		
Process							
Health districts with appointed manager	%						
Health districts with plan as per DHP guidelines	%						
Fixed public PHC facilities with functioning community participation structure	%						
Facility data timeliness rate	%						
Output							
PHC headcount	No						
Utilisation rate – PHC	No						
Utilisation rate - PHC under 5 years	No						
Quality							
Supervision rate	%						
Fixed PHC facilities supported by a doctor at least once a week	%						
Efficiency							
Provincial expenditure per visit (headcount) at provincial PHC facilities	R						
Expenditure (provincial plus local government) per visit (headcount) at public PHC facilities	R						
Outcome							
Districts with a single health provider	%						
Service volumes							
Clinic headcounts							
CHC headcounts							
Mobile headcounts							



Table 11(a)

INDICATOR	TYPE	04/05 ACTUAL	05/06 ACTUAL	05/06 STRAT PLAN TARGET	UGU DC21	UMGUNGUNDLOVU DC22	UTHUKELA DC23	UMZINYATHI DC24	AMAJUBA DC25	ZULULAND DC26	UMKHANYAKUDE DC27	UTHUNGULU DC28	ILEMBE DC29	SISONKE DC43	ETHEKWINI METRO
Input															
Uninsured population served per fixed PHC facility	No	17 062	18 514	-	14054	24880	26780	9133	25869	15842	11505	21451	15344	16064	22738
Provincial PHC expenditure per uninsured person	R	115	246.22	269.70	173	101.66	108.91	129	91.51	112	159	60.47	135	108	118
LG PHC expenditure per uninsured person	R	62	35.70	8.94	15	21.34	48.06	32	1.56	56	0	10.62	14	17.42	113
PHC expenditure (provincial plus local government) per uninsured person	R	174	178.27	278.65	176	123	78.48	139	93	168	159	71.09	148	125.42	215
Professional nurses in fixed public PHC facilities per 1,000 uninsured people	No	0.2	0.33	-	0.32	0.04	0.12	0.19	0.12	0.25	0.19	0.17	0.18	0.12	0.4
Districts offering full package of PHC services*	%	77	77.55	-	100	70	100	82	100	72	70	99	94	87	80
EHS expenditure (provincial plus local government) per uninsured person	R	21	30.86	10.49	6.5	5	0.63	7.5	3.94	11	7.26	10.91	7	2.7	24
Process															
Health districts with appointed manager	%	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Health districts with plan as per DHP guidelines	%	0	72.73	-	100	100	100	100	100	100	100	0	100	100	100
Fixed public PHC facilities with functioning community participation structure	%	89	88.55	-	89	100	85	92	100	96	92	100	79	75	75



INDICATOR	TYPE	04/05 ACTUAL	05/06 ACTUAL	05/06 STRAT PLAN TARGET	UGU DC21	UMGUNGDLOVU DC22	UTHUKELA DC23	UMZINYATHI DC24	AMAJUBA DC25	ZULULAND DC26	UMKHANYAKUDE DC27	UTHUNGULU DC28	ILEMBE DC29	SISONKE DC43	ETHEKWINI METRO
Facility data timeliness rate	%	98	95	-	100	100	100	100	100	65	100	90	100	98	95
Output															
PHC headcount	No	188732246	1803847	-	1437451	1994183	1170531	1136656	1058304	1432714	1390710	1994867	1547710	582474	6386296
Utilisation rate – PHC	No	1.8	1.94	-	1.9	3	1.4	2	2.43	1.7	2.3	4.4	1.3	1.5	2
Utilisation rate – PHC under 5 years	No	3.5	3.77	-	4	3.5	3.1	5	4.7	3.7	4.3	4.4	2.3	1.3	4
Quality															
Supervision rate	%	83	84.09	-	100	100	80	100	100	85	95	80	100	35	70
Fixed PHC facilities supported by a doctor at least once a week	%	40	43.82	-	70	100	70	14	100	9	38	18	51	35	85
Efficiency															
Provincial expenditure per visit (headcount) at provincial PHC facilities	R	59	62.69	-	90	60	65.5	62	40.92	86	51.2	20.37	63	108	56
Expenditure (provincial plus local government) per visit (headcount) at public PHC facilities	R	54	61.83	-	81	65	48.85	57	52.42	66.1	51.2	23.95	49	108	88
Outcome															
Districts with a single health provider	%	9	17.73	-	0	0	0	0	100	0	95	0	0	0	0
Service volumes															
Clinic headcounts	No	N/a	1 389 357	-	1258458	1036518	943717	935194	951426	1154794	117533	1622694	1085725	582474	4571498
CHC headcounts	No	455 284	402 876	-	Na	366099	Na	Na	Na	31127	0	148382	303654	34322	1251533
Mobile headcounts	No	N/a	185 914	-	178993	150972	202928	129224	106878	246793	23177	223791	158331	117907	319522



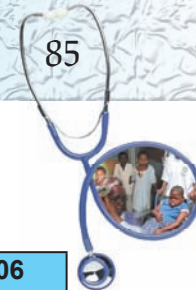


Table 12: District Hospitals

Input	Type	01/02 actual	02/03 actual	03/04 actual	04/05 actual	05/06 actual	05/06 strat plan target
Expenditure on hospital staff as percentage of total hospital expenditure	%	71.87	76.12	67.98	69.77	66.51	
Expenditure on drugs for hospital use as percentage of total hospital expenditure	%	5.71	7.19	6.46	4.96	5.30	
Hospital expenditure per uninsured person	R	220.98	222.91	236.37	278.31	313.24	
Process							
Hospitals with operational hospital board	%						
Hospitals with appointed (not acting) CEO in place	%						
Facility data timeliness rate	%						
Output							
Caesarean section rate	%						
Quality							
Hospitals with a published nationally mandated patient satisfaction survey in last 12 months	%						
Hospitals with clinical audit (M&M) meetings at least once a month	%						
Efficiency							
Average length of stay	Days						
Bed utilisation rate (based on useable beds)	%						
Expenditure per patient day equivalent	R						
Outcome							
Case fatality rate for surgery separations	%						
Service volumes							
Separations							
OPD headcounts							
Day cases (=1 separation = 1/2 IPD)							
Casualty headcount							
PDEs							



Table 13: HIV/AIDS/STIs and TB

		03/04 actual	04/05 Actual	05/06 actual	0506 strat plan target
Input					
Fixed PHC facilities offering PMTCT	%	100	100		
Fixed PHC facilities offering VCT	%	100	100		
Hospitals offering PEP for occupational HIV exposure	%	100	100		
Hospitals offering PEP for sexual abuse	%	100	100		
Process					
TB cases with a DOT supporter	%	60	78		
Male condom distribution rate from public sector health facilities	Per k male ≥15 years	6.2	5		
Male condom distribution rate from primary distribution sites	Per k male ≥15 years	18m	21m		
Nevirapine stock out	%	*0	0		
Output					
STI partner treatment rate	%	28	26		
Nevirapine uptake rate among babies born to women with HIV	%	98			
VCT client pre-test counseling rate	%	100	100		
TB treatment interruption rate	%	16	14		
Quality					
TB sputa specimens with turnaround time > 48 hours	%	15	15		
Efficiency					
Dedicated HIV/AIDS budget spent	R	246,701	348,536	528,093	
Outcome					
New smear positive PTB cases cured at first attempt	%	32.5	35		
New MDR TB cases reported - annual % change	%	N/a	N/a		
Service volumes					
STI case - new episode		7.2			
Patients registered for ART		-	11 449		



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

INDICATOR	Type	ACTUAL 2004/2005	ACTUAL 2005/2006	STRAT PLAN TARGET 2005/2006
Input				
Hospitals offering TOP services	%	30%	35%	50%
CHCs offering TOP services	%	0	0	0
Process				
DTP-Hib vaccines out of stock	%	No data	No data	No data
AFP detection rate		39 cases	35 cases	57 cases
AFP stool adequacy rate	%	91%	84%	80%
Output				
Schools at which phase 1 health services are being rendered	%	Not available	Not available	20%
(Full) Immunisation coverage under 1 year	%	89%	88.5%	90%
Antenatal coverage	%	29%	48%	40%
Vitamin A coverage under 1 year Nutrition	%	87%	101%	100%
Drop out rate between Measles 1 and 2	%	14.9%	21%	10%
Cervical cancer screening	%	47% of 10% of annual target	33% of 10% of annual target	10% of women > 30yrs
Quality				
Facilities certified as baby friendly Nutrition	%	51%	67%	80%
Facilities certified as youth friendly	%	3.9%	5%	7.6%
PHC facilities with 1 IMCI trained nurse	%	65%	75%	75%
Outcome				
Not gaining weight under 5 years Nutrition	%	1.5%	1.9%	1.5%
Hospitals offering TOP services	%	30%	35%	50%



Table 15: Disease prevention and control programme

INDICATOR	Type	ACTUAL 2004/2005	ACTUAL 2005/2006	STRAT PLAN 2005/2006
Input				
Trauma centres for victims of violence (sexual assault, family violence)	No	33	34	44
District outbreak response teams.	No	1 per district	1 per district	1 per district
Process				
CHCs with fast queues for elder persons.	%	100%	100%	100%
Investigation of all reported outbreaks.	%	N/A	100	100
Output				
Districts with health care waste management plan implemented	No	11	11	11
Hospitals providing occupational health programmes	%	20%	50%	50%
Schools implementing Health Promoting Schools Programme (HPSP)	%	2.1%	2.11%	2.11%
Integrated epidemic preparedness and response plans implemented	Y/N	Y	Y	Y
Integrated communicable disease control plans implemented	Y/N	Y	Y	Y
Quality				
Schools complying with quality index requirements for Health Promoting Schools Programme	%	11	22	20
Outbreak response time	Days	1 Day	1 Day	1 Day
Waiting time for a wheelchair	Weeks	2	2	2
Waiting time for a hearing aid	Weeks	2	2	2
Efficiency				
Waiting time for cataract surgery	Months	6	3	1
Outcome				
Dental extraction to restoration rate	Ratio	50:1	40:1	30:1
Malaria fatality rate	%	0.6	1	0.3
Cholera fatality rate	%	5.03%	0%	<1%
Cataract surgery rate	No	1544	6432	7500



Global Fund



AIM

The KwaZulu-Natal province was one of the recipients of the Global Fund to Fight AIDS, Tuberculosis and Malaria during the first round of applications. The main goal for funding was to complement and expand strategies that prevent the further spread of HIV/AIDS in KwaZulu-Natal and improve the quality of life for those with HIV/AIDS through the provision of a continuum of care, treatment and support. The fund targeted People living with AIDS, People in fear of contracting HIV/AIDS, Orphans and Vulnerable Children, Healthcare workers in Public sector and employees of Durban Chamber of Commerce and Industries and KwaZulu-Natal Chamber of Commerce and industries.

ANALYTIC REVIEW

The KwaZulu-Natal province was one of the recipients of the Global Fund to Fight AIDS, Tuberculosis and Malaria during the first round of applications. The main goal for funding was to complement and expand strategies that prevent the further spread of HIV and AIDS in resource constrained settings of KwaZulu – Natal and mitigate the impacts of HIV/ AIDS.

Partnerships developed for achieving the above goal have a diverse geographic and sectorial background which makes it one of the very complex grants. Through this public and private partnership the Department of Health as the Sub- recipient formed linkages with Non governmental organizations and private sector to fight the spread of HIV and AIDS and mitigate its effects to families and communities. At a higher level, the CCM (Country Co-ordinating Mechanism) which is the South African National Council, ensured that partnerships with government, private sector and other non-governmental organizations are established and maintained. Through this partnership, NGO's, Faith Based Organizations and community based organizations have been brought in to join the fight against the pandemic. The province has benefited in many ways from these Networks.

POLICIES, PRIORITIES, CHALLENGES AND CONSTRAINTS

Challenges

Skills shortages may have resulted in the compromise of quality during implementation of some programs. Infrastructure constraints resulted in the delay in meeting targets especially in the areas of prevention and treatment. Certain ethical issues also delayed the implementation of treatment and research surveys. Recruiting staff for short term employment (contracts) has also been a challenge due to uncertainty that is associated with contract employment. Data collection has also been a challenge where data is received from areas with poor resources to submit up to date information.

Progress made

Accessibility of care: The Grant has made progress in strengthening health systems to ensure that health care is made accessible to a large part of needy communities through its expanded community health care program. Contributions have also been made in alleviating suffering among individuals and communities who, due to the debilitating effects of the disease, do not have resources and energy to access even the available resources. The greatest progress made is the support the grant gave to the Department of Health in scaling- up resources for the ARV roll- out.

Skills development: The grant has also contributed a lot in developing human resources in the following areas: financial management, clinical management and project management.

Expansion of services to rural areas: The strengthening of partnerships in providing care and support to the families infected and affected by HIV and AIDS has resulted in the expansion of integrated health care to rural communities.



Table 18: Programme Performance

OBJECTIVE	INDICATOR	ACTUAL 2004/2005	TARGET 2005/2006	ACTUAL PERFORMANCE 2005/2006
GLOBAL FUND				
HIV and HIV/ TB Supportive Environment	No. of organisations (NGOs) participating in networks for Care and Support of the chronically/terminally ill and/ or their families	12	14	14
Prevention	No. of PLWA's (People living with AIDS) enrolled in income generation activities	90	110	113
Treatment	No. of PLWA's (People living with AIDS) receiving treatment for opportunist infection through a network (NGO)	1501	1250	1705
Care and Support	No. of laboratories with capacity monitor ART combination therapy according National guidelines	8	8	8
	Number of chronically ill and or their families receiving care and support (nutritional, psychological, palliative care)	21 097	7410	27 822
	No. of people reached by home based care			
	No. of orphans and vulnerable children receiving care and Support (School Fees), school uniform, food parcels and blankets.	5716	5600	6640
		322	202	350





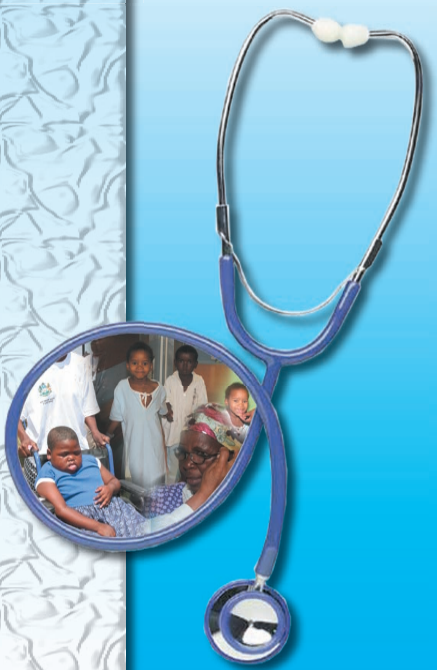
OBJECTIVE	INDICATOR	ACTUAL 2004/2005	TARGET 2005/2006	ACTUAL PERFORMANCE 2005/2006
GLOBAL FUND				
Health systems strengthening	No. of service providers trained home based care	1501	1031	1582
	No. of public health care workers trained in the clinical management of HIV and AIDS	2170	283	304
HIV/TB Collaborative activities	No. of service delivery points support by Tele-Health	15	30	30
	No. of HIV TB patients who have begun or are continuing ART, during or at the end of treatment.	156	400	350

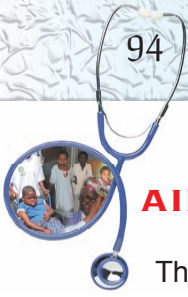


Programme 3



Emergency Medical Rescue Services





AIM

The broad aims of Emergency Medical Rescue Services (EMRS) are to provide an emergency medical and rescue, non-emergency (elective) transport and disaster management service to all the citizens of the Province of KwaZulu- Natal

These aims are achieved through the following sub-programmes and components as described below.

Emergency Patient Transport (Sub programme 3a)

This service aims to meet the emergency medical and rescue needs of the province through the provision of a high quality pre-hospital emergency care service provided by a well-trained and highly skilled workforce. Depending on the need and /or seriousness of the call, all medical, trauma, pediatric and maternity emergencies are responded to by ambulances, Advanced Life Support (ALS) response units and aero-medical services.

Planned Patient Transport (Sub programme 3b)

This service includes the non-emergency (elective) transport of patients referred from hospital to hospital and from clinic to hospitals, inter or intra district, in accordance with the referral patterns of the District Health System (DHS).

Disaster Management

The Department of Health's responsibility for Disaster Management lies with Emergency Medical Rescue Services. The aim of this component is to provide a sustainable disaster management programme within the KwaZulu-Natal Department of Health that complies with the Disaster Management Act 57 of 2002.

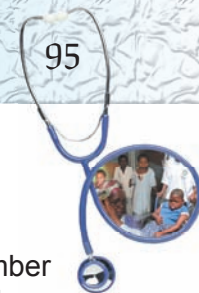
Provincial Health Operations Centre (PHOC)

The 2005/06 financial year saw the official opening of the Provincial Health Operations Centre. This 24 hour fully computerised call centre serves a number of functions for both internal and external clients of the department:

- EMRS call centre
- Flight desk (Aeromedical Services)
- Centre of co-ordination for major incidents and disasters
- Whistle-blowing hotline
- Complaints line
- Helpline for ARV/PEP
- Helpline for EAP
- General information on the department of health

All of the above services can be accessed through the toll free number 0800 00 5133. Since the official opening of the call centre in August 2005 until the end of the financial year, an average of 184 122 telephonic calls, 7 200 e-mails, 40 500 faxes and 67 725 SMSs were logged as incoming. A total of 81 012 calls were logged for support, help and reply.





College of Emergency Care

To mark the opening of the revitalised and transformed college, an official launch was held in September 2005. Included in the revitalisation of the college was the filling of the posts in the newly created college structure. 1 Principal, 2 Deputy Principals, 1 course - co-ordinator, 8 Tutors and 2 District Trainers (Tutors) were appointed. The college was accredited by the Health Professions Council of South Africa (HPCSA) to provide all levels of training for Emergency Care Practitioners.

There are still a number of real challenges being experienced. Foremost amongst these is the ability to attract and retain tutoring staff for the college to operate at full potential. At the end of the reporting period at least 16 posts remained vacant.

The lack of student accommodation also poses a major challenge in running the full complement of courses.

A major feat in the training of Emergency care Practitioners in the 2005/06 financial year was the launch of the first recruit course. This programme involved the recruitment of unemployed matriculants from historically disadvantaged communities. The candidates were trained in Basic Life Support, Emergency Medical Dispatch, Defensive Driving and Introduction to Rescue. The programme was launched as part of a poverty alleviation initiative and an official graduation of the first 46 successful recruits was held in December 2005. All 46 recruits are now employed by EMRS and are on active duty in the districts

ANALYTICAL REVIEW

Much effort and resources was spent in the last financial year capacitating the districts to enable the decentralisation of EMRS functions in line with the restructuring mandate. The realisation of the fully decentralised EMRS functions is expected to be achieved by 31 March 2005.

Installation of tracking devices in all EMRS vehicles has made an impact. The recovery rate of hijacked/stolen vehicles after the installation of tracker was 80%. The number of hijackings has also decreased contributing to a safer working environment for the Emergency Care Practitioners.

In line with the objectives of the component, a number of improvements were achieved in the overall provision of emergency medical rescue services throughout the Province.

These were especially noted in the increase of the ambulance fleet and the improvement in the planned patient transport coverage.

It must be noted that achievements occur against the backdrop of the challenges that prevail. Procurement processes and HR administrative processes have a critical impact on the expansion of the services. In addition the poor infrastructure (roads, communication centers, facilities) contributed to communities having limited access to services.

Each of the specific areas of operations will be dealt with hereunder.

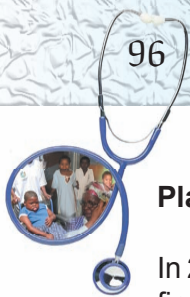
Response Times

Response times have remained outside the norms and standards although the number of ambulances have increased. This is directly attributed to the increase in the demand for services (increased workload) experienced in the financial year.

Currently EMRS operates on a ratio of one ambulance per fifty thousand population (1: 50 000). The accepted norm for optimal operation is one ambulance per ten thousand population (1: 10 000).

Whilst the progress during the reporting period has been somewhat slow, the 5-Year Plan for EMRS for addressing the shortages with regard to ambulances and appropriately skilled staff is being realized. This will however require a review of the funding allocated for this purpose.





Planned Patient Transport

In 2005/6 Planned Patient Transport operated in all districts, which was an improvement on the previous financial year in which only 4 districts operated a comprehensive PPT service. Existing Personnel have been seconded to PPT for continuous operations.

The clinic to hospital system of PPT was initiated in the past financial year. For the financial year under review, EMRS achieved 100% coverage of hospital-to-hospital PPT service and 39% clinic to hospital.

The 39% clinic to hospital coverage represents the percentage of the total number of clinics in the Province that are being serviced by PPT. The constraint in this regard has been the vehicle and staff resources and infra-structural issues.

64 dedicated staff were employed for the PPT programme.

In total 272 000 patients were moved under the PPT service in the 2005/6 financial year.

Fleet

During 2005/6 EMRS procured 202 ambulances, and 126 support units. A fleet launch was held in December 2005. The additional ambulances contributed positively to improved service delivery in terms of vehicle availability and reduction in down time. All vehicles have been fitted with tracker systems and the new vehicles with C-Track vehicle monitoring system in an effort to curb the spate of hijackings that EMRS has experienced and to better monitor the use of vehicle resources. Recovery rate of hijacked/stolen vehicles after the installation of tracker was 80% for the reporting period. All newly acquired vehicles have been marked with corporate branding details. In procuring vehicles, consideration is given to the topographic challenges thus ensuring accessibility in terms of specific area needs.

Aero-medical Service

Aero-medical service was strengthened through the finalisation and awarding of a three year contract for the provision of a comprehensive rotor wing and fixed wing service. The province currently operates with two helicopters and one fixed wing aircraft. One rotor wing is based in Richards Bay and services the northern regions of the province whilst the second helicopter is based in Durban.

348 calls utilised aero-medical services (primary calls and inter-hospital transfers). This has enhanced service delivery considerably, as the response to such incidents and calls has been positively impacted on.

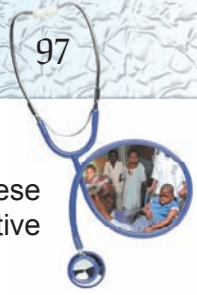
Staffing

In an effort to improve the staffing and enhance service delivery, a total of 627 ECPs (basic) were recruited and deployed across the Province. This figure included the 46 matriculants who were trained in the Recruit programme. In addition, 6 ECP-A's (Advanced Life Support) were recruited and deployed in previously underserved areas, namely, Umkhanyakude, Sisonke and Ugu. Parallel to this, pivotal management posts were finalized, all of which contributed to the enhancement of services and the promotion of governance within the component.

Significant also was the filling of the supervisory and logistical support structures in all Districts. In total 136 supervisor and 45 zonal and communications officers posts were filled. 3 Operational Managers posts that were vacated were filled. 11 Principal Medical Officer posts were advertised and incumbents appointed. To further augment fleet management at local level, fleet officers were appointed in all Districts. Support structures to facilitate the decentralization process that have been filled include HR Practitioners, HR Officers, finance officers, supply officers, records officers and Facility Information Officers.

The disaster manager and Clinical governance posts were also filled.





The ability to retain advanced life support practitioners is still a major constraint. Most of these practitioners are attracted to jobs abroad or in the other countries in Africa that are offering lucrative salary packages.

Challenges Faced

The delivery of services as set out in the strategic plan for 2005/6 has been negatively impacted by the following:

The department was unable to convert any of the PPT buses to accommodate stretchers to improve the stretcher carrying capacity of these vehicles. The problem lies mainly with the structure of the vehicles and the concern that the conversion will alter the structural integrity of the vehicles.

The inability to attract and retain Advanced Life Support staff as mentioned meant that the target of having a minimum of 5 ALS personnel in each district was not accomplished. There appears to be no short-term solution to the problem. Two major factors contributing to the high attrition rate of ALS practitioners from KZN and the disproportionate allocation of ALS in urban versus rural areas is the high disparity in salaries between KZN and other provinces and the fact that ALS practitioners do not qualify for rural or scarce skills allowances.

Delays in the tender processes resulted in delays in procurement of uniforms and the conversion of rescue units. Many of the rural areas of KZN still do not have access to proper rescue services.

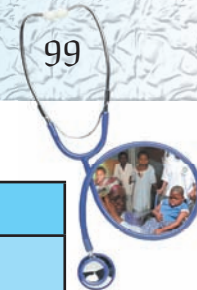
There is a lack of housing accommodation both for students at the College of Emergency Care and for staff in the rural areas. In terms of training output, this lack of accommodation has meant that the college can only run one course at a time. The targets for the number of Intermediate and Advanced Life Support practitioners to be produced in the reporting period could therefore not be achieved. Contributing to the low number of ILS practitioners produced is also the high failure rate of the ILS pre course assessment. The filling of all district trainer posts will assist in alleviating this problem.

There is still a high incidence of collisions involving ambulances. To combat the problem there is now a driver trainer for each district and a roll out plan for driver training is implemented.



SUBPROGRAMME	OBJECTIVES (Output)	INDICATOR	ACTUAL PERFORMANCE	
			2004/5 Actual	2005/6 Actual
Disaster Management	Promote compliance with the National Disaster Management Act and the National Framework on Disaster Management	Approval of DoH Disaster Management Policy	Policy proposal and consultation	Approved by Manco in November 2005
	Establishment of functional DoH Disaster Management teams	Appointment of 11 district co-ordinators	Disaster Manager appointed & Cluster Co-ordinators posts approved	0
		Establishment of disaster management forums	None	In progress
	Develop incident reporting system and protocol for all role players	Clear guidelines for disaster reporting: <ul style="list-style-type: none"> · Internal · External 	Fragmented	Reviewed and updated with District Disaster Co-ordinators
	Updated accessible database to effectively manage disasters	Database available: <ul style="list-style-type: none"> · PHOC · District control centers 	None	In progress
	Auditing of disaster management plan in all health facilities.	Review and update Disaster Management Planning in all health care facilities	Not updated	Submission of plans by all health components and facilities in progress
	Conduct a two-way radio audit at all institutions	Ensure effective radio communication and functionality of radios	Completed once per annum	Completed twice per annum
	Disaster management intersectoral collaboration with Provincial and Municipal Disaster Management Centres	Number of meetings attended	Monthly	Monthly
Have emergency preparedness and early warning systems	Template for special/mass casualty events contingency plans	Available to District Disaster Co-ordinators	Available to District Disaster Co-ordinators	





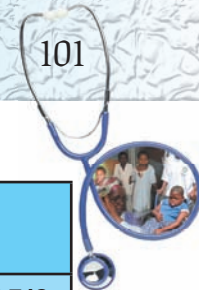
Incidents by Type							
Equipment Failure	Elect / Water	Security	Labour	Mass Casualty	Communicable Disease	Complaints & Whistle Blowing	Help & info.
10%	5%	1%	4%	15%	10%	5%	50%

SUBPRO-GRAMMES	OBJECTIVES (OUTPUT)	Indicator	Actual Performance			
			2003/4 Actual	2004/5 Actual	2005/6 Actual	2005/6 Target
Emergency Services	Improve quality of EMRS in the province	No. of intensive care mobile units in the Districts	11	11	11	22
	Develop and implement EMRS clinical governance competency for standards of quality care	Minimum number of ALS staff per district	4	5	1	6 per district
		Draft a strategy for EMRS clinical governance	n/a	Draft in place	Final Draft in place	Review
	Capacity development of all EMRS staff	Develop EMRS norms and standards	Nil	Finalised	Implemented	implemented
		Increase number of staff to achieve equity and optimal status	1872	1898	2680	1800
	Have an agreement in place with tertiary institutions	Nil	Negotiations conducted with DIT	Working agreement in place	2 Signed contracts	



SUBPRO-GRAMMES	OBJECTIVES (OUTPUT)	Indicator	Actual Performance			
			2003/4 Actual	2004/5 Actual	2005/6 Actual	2005/6 Target
TABLE 16: Performance against targets from 2005/2006 Strategic Plan for EMRS	Decrease mortality and morbidity through proper management of: Trauma Children under 5	Increase the number ALS Provide training to hospital /clinic staff in the management of trauma at ALS level	ALS-12	ALS-18 25%	ALS-15 25%	ALS- 16 0%
	Pregnant women	Appoint PRO	0	0	0	11
	Conduct a public awareness programme in identification	Develop trauma awareness programmes	0	0	11	11
	Acquire appropriate vehicles	No of vehicles commissioned	177	72	328	491
		No. of staff trained in EMD	88	33	160	89
	Improved access to EMRS services	No. of staff who are isiZulu speaking in the Communication Centre	56%	68%	86%	70%
		Improved response times against national norms of: Urban –15 minutes Rural –45 minutes	Urban 40.75% Rural 38.15%	Urban 25% Rural 25%	Tenders awarded 4 control centers upgraded	Urban 60% Rural 60%
		Establishment of 11 computerised communication centers in the districts . one per District	0	0	20%	4





SUBPRO-GRAMMES	OBJECTIVES (OUTPUT)	Indicator	Actual Performance			
			2003/4 Actual	2004/5 Actual	2005/6 Actual	2005/6 Target
TABLE 16: Performance against targets from 2005/2006 Strategic Plan for EMRS	Revitalisation of basic infrastructure	Number of bases established in the districts(customized)	Nil	Nil		80%
		Increase the number of bases (interim)	54	54	1	65-75
		Identify appropriate residential accommodation for EMRS staff that are currently operating in the periphery where there is no infrastructure	Multi year plan	0	0	4
		Identify /acquire office accommodation for District offices	4	4	5	7
		Identify and acquire premises for COEC	n/a	n/a	Premises identified	COEC relocated
Planned Patient Transport	Increase the number of PPT (phase in)	% of hospitals covered in the PPT Programme	31%	64%	100%	50%
	Reduce the use of ESV's for non emergency purposes(phase out)	% clinics covered in the in the PPT programme	n/a	10%	39%	30%



Table 17: Emergency medical services and planned patient transport

		Actual 2003/4	Actual 2004/5	Actual 2005/6	Strat Plan Target 2005/2006
Input					
Ambulances per 1000 people	No	0,0539	0,0964	0,0890	0,064
Hospitals with patient transporters	%	100	79	0	21
Process					
Kilometers traveled per ambulance (per annum)	Kms	144 204	143 404	145 320	--
Locally based staff with training in BLS	%	38.1	45.3	69	30
Locally based staff with training in ILS	%	48.2	51	26	60
Locally based staff with training in ALS	%	5.9	5.7	5	10
Quality					
Response times within national urban target (15 mins)	%	39.5	40.75	46	70
Response times within national rural target (40 mins)	%	30.75	38.15	36	70
Call outs serviced by a single person crew*	%	0	0	0	0
Efficiency					
Ambulance journeys used for hospital transfers	%	5.84	3.14	3.20	4.35
Green code patients transported as % of total	%	34	33.75	30.25	33.00
Cost per patient transported	R	350	461	558	507
Ambulances with less than 500,000 kms on the clock	No	245	338	526	433
Output					
Patients transported per 1 000 separations	No	49.268	55.992	60.838	--
Volume indicator					
Number of emergency call-outs	No	338 851	503 782	633 311	--
Patients transported (routine patient transport)	No	318 563	483 122	619 700	--

*The Department does not have any single crew services.



Programme 4



Provincial Hospital Services





AIM

This programme provides the second level of health care and incorporates specialised TB, Chronic Medical, Psychiatric and Dental Training Hospitals.

In addition Tertiary Hospitals provide the 3rd level of health care. For the period under review services provided by both District and Regional Hospitals are reported on in this programme.

STRATEGIC OBJECTIVES

- The Strategic Position Statements has identified incongruencies in the supply of beds in District Hospitals as well as inequities in the distribution of resources within the Province, therefore one of the objectives of this Programme was to ensure the equitable distribution of Health Resources in the Province;
- To ensure the revitalisation of Hospital services
- Provision of a high quality, compassionate service and reduction of morbidity and mortality with emphasis on HIV/AIDS and TB; and
- The consolidation of the package of service at different levels of care and strengthening the referral system.

ANALYTIC REVIEW

Hospitals in KwaZulu-Natal have the primary objective to provide a quality health service within the context of the District Health System. During the period under review, there has been reasonable progress with regards to the revitalisation of hospitals. There have also been regional hospitals that have had revitalisation programmes implemented on a smaller scale. Hospitals have continued to maintain safe and clean environments.

Standardised treatment guidelines, increase in clinical audits and an increase in morbidity and mortality reviews were used to improve the clinical outcomes of patient care.

Customer service improvements have been implemented by conducting patient satisfaction surveys, redressing patients' complaints by strengthening patient complaints procedures and client liaison. There has been an increase in the number of hospitals providing help desks and information centres for the provision of customer service and complaints.

The referral pattern has continued to be revised within the context of service delivery challenges in the Province.

POLICIES, PRIORITIES, CHALLENGES AND CONSTRAINTS



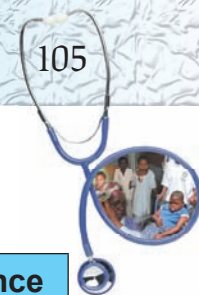


Table 18: Programme Performance

OBJECTIVES	INDICATOR	ACTUAL 2004/2005	TARGET 2005/2006	ACTUAL Performance 2005/2006
To ensure provision of high quality care	% hospitals with access for the physically challenged	85%	100%	86%
	% hospitals with a helpdesk/info centre	88%	100%	90%
	% hospitals conducting clinical audits	92%	100%	93%
To reduce morbidity and mortality	% hospitals with VCT sites	30%	100%	91%
	% hospitals with Rx guidelines and protocols for major communicable disease	50%	100%	83%
To ensure adequate governance of health institutions	% hospitals with a complete management team	82%	100%	96%
	% hospitals with operational hospital boards	87%	100%	89%
	% decentralization of hospital management	69%	100%	53%
	% compliance with Batho Pele principles	100%	100%	93%
To ensure equitable distribution of health resources	% tertiary services available outside METRO	30%	70%	59%
	% hospitals meeting standard equipment requirements according to levels of care	30%	100%	67%
Revitalisation of hospital services	% hospitals with established OHS committees	30%	100%	74%



Table 19: Regional Hospitals

Indicator	Type	01/02 actual	02/03 actual	03/04 actual	04/05 actual	05/06 actual
Input						
General Hospitals						
Expenditure on hospital staff as percentage of total hospital expenditure	%	75.63	69.45	68.23	68.41	66.46
Expenditure on drugs for hospital use as percentage of total hospital expenditure	%	7.23	8.64	8.31	8.09	7.32
Hospital expenditure per uninsured person	R	197.04	193.30	237.31	228.86	260.57
Useable beds	No					
Psychiatric Hospitals						
Expenditure on hospital staff as percentage of total hospital expenditure	%	70.19	65.33	66.48	69.42	65.68
Expenditure on drugs for hospital use as percentage of total hospital expenditure	%	1.07	1.69	3.39	1.36	3.23
Hospital expenditure per uninsured person	R	26.43	25.74	30.68	31.36	34.82
Useable beds	No					
Tuberculosis Hospitals						
Expenditure on hospital staff as percentage of total hospital expenditure	%	52.78	52.60	52.56	52.15	55.17
Expenditure on drugs for hospital use as percentage of total hospital expenditure	%	2.10	1.92	2.30	6.80	6.86
Hospital expenditure per uninsured person	R	17.43	31.98	29.81	28.48	27.12
Useable beds	No					
Medical Chronic Hospitals						
Expenditure on hospital staff as percentage of total hospital expenditure	%	86.44	85.10	76.64	79.40	75.78
Expenditure on drugs for hospital use as percentage of total hospital expenditure	%	2.29	2.15	8.02	6.42	6.71
Hospital expenditure per uninsured person	R	1.84	2.35	6.37	5.93	5.78
Useable beds	No					
Dental Training Hospital						
Expenditure on hospital staff as percentage of total hospital expenditure	%	82.05	87.74	88.90	87.20	89.63
Expenditure on drugs for hospital use as percentage of total hospital expenditure	%	0.93	0.55	0.79	0.92	0.35
Hospital expenditure per uninsured person	R	0.87	0.82	0.86	0.92	0.94
Useable beds	No					





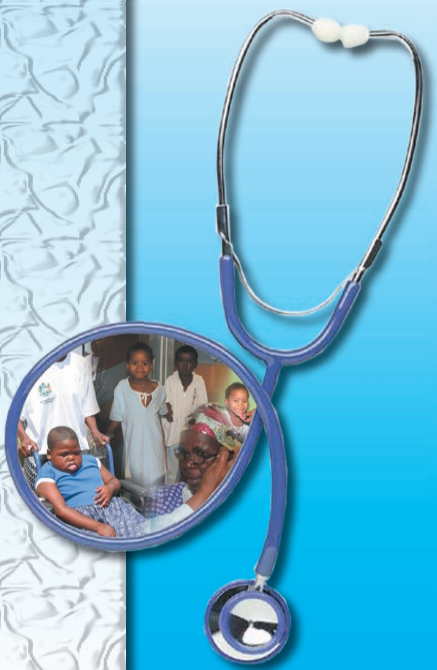
Indicator	Type	01/02 actual	02/03 actual	03/04 actual	04/05 actual	05/06 actual
Process						
Hospitals with operational hospital board	%					
Hospitals with appointed (not acting) CEO in place	%					
Facility data timeliness rate	%					
Output						
Caesarean section rate	%					
Quality						
Hospitals with a published nationally mandated patient satisfaction survey in last 12 months	%					
Hospitals with clinical audit (M&M) meetings at least once a month	%					



Programme 5



Central Hospital Services





AIM

The aim of this programme is to provide a highly specialised level of health care and serve as a forum for the training of medical specialists in accordance with the referral pathway.

ANALYTIC REVIEW

Inkosi Albert Luthuli Central Hospital has taken great strides towards achieving its mission of “world-class tertiary and central hospital services through the provision of state of the art facilities and services provided by trained and competent people working together, always putting the needs of patients first.”

The total bed requirements for national central services will be one third of 2,055 tertiary beds, which represents 685 central beds by 2010. The balance of the beds will be utilised for tertiary services. This institution will accept referrals from all provincial regional hospitals, as well as referrals from the Eastern Cape.

POLICIES, PRIORITIES, CHALLENGES AND CONSTRAINTS

· Organisational Development

The successful transfer of services from hospitals such as King Edward VIII, Wentworth and Addington hospitals was completed in October 2003. The first kidney transplant in the Public Service after 3 years of buying out from the private sector was performed on 2nd of December 2003. This will increase the value derived from the limited state resources. The commissioning of new services that include Red Code Trauma, Burns, and Assisted Reproduction has been delayed due to a shortage of medical professionals in the labour market that is gripping the whole country. Strategies are however afoot in employing attractive recruitment approaches.

· Delegations of Financial, Procurement and Human Resource Management Functions

The process of decentralising the financial, procurement and human resource management functions to the various responsibility centres in accordance with the Department's overall decentralisation policies has been completed. However, there is still a need to build capacity at all levels of management.

· Quality Improvement

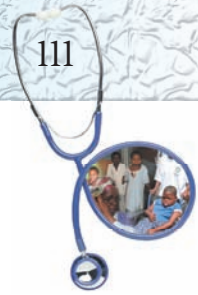
The Hospital has achieved the 100% COHSASA accreditation.

Our health promotion activities earned us a World Health Organisation membership certificate for years 2005-2008, entitling us to membership of the International Network.

· Increasing Efficiency

An effort to commissioning outstanding disciplines is afoot and our target for completion of commissioning is August/September 2006. Advanced General Surgery was also commissioned during the period of review. All out patient clinics are operating at full capacity. The non-commissioning of some tertiary services at Grey's Hospital resulted in some clinics exceeding their planned capacity.





- **Governance**

The Hospital Board was appointed as per the KwaZulu-Natal Health Act, 2000.

- **Management Systems Development**

A general management system has been introduced in the hospital to integrate management, and also enable decentralisation within the hospital. This system is based on cost centres and functional units. Each cost centre has a single focus of authority and significant managerial authority, which includes own budget, staff, and other resources. The Activity Based Costing (ABC) system has been successfully implemented. Proper management structures, called Domain Management Teams (DMT), have been put in place involving clinicians.

- **Use of Conditional Grants**

The hospital is fully funded by a conditional grant of approximately R800 million (2005/6). R388 million of this conditional grant is paid over to the Impilo Consortium as a result of the Public Private Partnership.



Table 20: Programme Performance

OBJECTIVE	INDICATOR	Actual 2004/5	ACTUAL PERFORMANCE 2005/2006	TARGET 2005/2006
Complete commissioning	Total number of beds commissioned	784	817	846
Develop management capacity for devolution	Total percentage of Managers trained	20%	36%	40%
	Number of Middle Managers who have completed the management training pack	23	6	46
Fill vacant posts	Increase in No. of posts filled	1987	1734	2000
Improve client satisfaction	Global quality	98%	100%	100%
	Process quality	80%	100%	95%
	Unit-Based care	95%	96%	100%
	Physician care	98%	100%	100%
	Support Services	100%	100%	100%
	Outcomes of care	94%	100%	100%
Develop relationship with other stakeholders	Hospital Board	0	1	1
	Increase in partnerships with tertiary institutions	60%	70%	75%
	Increase in participation in health care forums	100%	100%	100%
	Increase in meetings with other provincial hospitals	100%	100%	100%
Maximize value for money	Decrease in unit cost performance	-0.5%	+15%	-2%
	Decrease in days in inventory	80	339	75
Improve Organisational Management	Staff attrition rate	15%	19%	4.1%
	Management Structure alignment	80%	100%	100%
Improve clinical utilization	Decrease in average length of stay	8	9.5	7
	Decrease in re-admission rate	15%	15%	19%
	Decrease in complication rate	8%	10%	10%
	Decrease in hospital acquired infections	10%	12%	12%



Table 21(a): Tertiary Hospital Services

Indicator	Type	01/02 actual	02/03 actual	03/04 actual	04/05 actual	05/06 actual	05/06 strat plan target
Input							
Expenditure on hospital staff as percentage of total hospital expenditure	%	0	0	31.73	30.23	40.18	
Expenditure on drugs for hospital use as percentage of total hospital expenditure	%			5.62	6.47	6.10	
Hospital expenditure per uninsured person	R	0	0	65.69	75.92	88.45	
Useable beds	No						
Process							
Hospitals with operational hospital board	%						
Hospitals with appointed (not acting) CEO in place	%						
Facility data timeliness rate	%						
Output							
Caesarean section rate	%						
Quality							
Hospitals with a published nationally mandated patient satisfaction survey in last 12 months	%						
Hospitals with clinical audit (M&M) meetings at least once a month	%						
Efficiency							
Average length of stay	Days						
Bed utilisation rate (based on useable beds)	%						
Expenditure per patient day equivalent	R						
Outcome							
Case fatality rate for surgery separations	%						
Service volumes							
Separations	No						
OPD headcounts	No						
Day cases (=1 separation = 1/2 IPD)	No						
Casualty headcount	No						
PDEs	No						



Table 21(b) : Central Hospital Services

Indicator	Type	01/02 actual	02/03 actual	03/04 actual	04/05 actual	05/06 actual	05/06 strat plan target
Input							
Expenditure on hospital staff as percentage of total hospital expenditure	%	64.82	38.41	31.23	36.78	26.87	
Expenditure on drugs for hospital use as percentage of total hospital expenditure	%	5.81	4.89	2.92	1.52	4.11	
Hospital expenditure per uninsured person	R	67.00	116.05	25.12	31.57	37.37	
Useable beds	No						
Process							
Hospitals with operational hospital board	%						
Hospitals with appointed (not acting) CEO in place	%						
Facility data timeliness rate	%						
Output							
Caesarean section rate	%						
Quality							
Hospitals with a published nationally mandated patient satisfaction survey in last 12 months	%						
Hospitals with clinical audit (M&M) meetings at least once a month	%						
Efficiency							
Average length of stay	Days						
Bed utilisation rate (based on useable beds)	%						
Expenditure per patient day equivalent	R						
Outcome							
Case fatality rate for surgery separations	%						
Service volumes							
Separations	No						
OPD headcounts	No						
Day cases (=1 separation = 1/2 IPD)	No						
Casualty headcount	No						
PDEs	No						

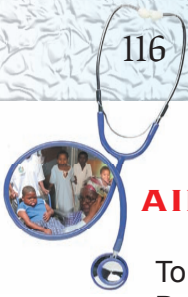


Programme 6



Health Sciences and Training





AIM

To provide for a co-ordinated and focused management of human resource development within the Department of Health, KwaZulu-Natal.

ANALYTIC REVIEW

During the reporting period strong initiatives in the area of skills development have led to the implementation of a number of HWSETA learnerships in health professional fields. Additionally in response to a DPSA initiative an orientation and induction programme has been piloted for the department.

The KwaZulu-Natal College of Nursing has also successfully implemented the first uniform curriculum in the Province for the 4 year Comprehensive Nurse Training Programme, an initiative commended by the South African Nursing Council. Additionally, the department has continued to grant health science bursaries to previously disadvantaged individuals (PDI's) in line with the scarce skills required at institutions.

BURSARIES

There are at present 23 Universities/Technikons that are on the Department of Health's Bursary Database providing for 16 various Health Sciences fields of study, which are financed by the Department of Health.

The increasing total of bursary holders for the reporting year was 445 with 167 new bursaries being granted. The total costs for bursaries approved in the last financial year amounted to R 35 262 000 and during the reporting year a total of 53 students are currently studying medicine in Cuba in accordance with the Cuban Medical Programme.

PRIMARY HEALTH CARE

During the reporting period 658 primary healthcare workers successfully completed the Dispensing Licence Course, as mandated by the legislative framework. Presently there are currently 2214 nurses in Primary Health Care Services. Out of this number 826 are trained in Health Assessment Diagnosis and Treatment Course, whilst 168 are currently being trained. Additionally, the Cecilia Makiwane Awards saw the Department achieving second runner up position at National level.

NURSING EDUCATION

The KwaZulu-Natal College of Nursing implemented the unified nursing curriculum as of the 1st July 2005. This coincided with the commission of 272 four year comprehensive nursing programme learners on the 1st July 2005 and 310 learners on the 2nd January 2006.



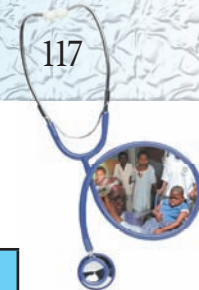


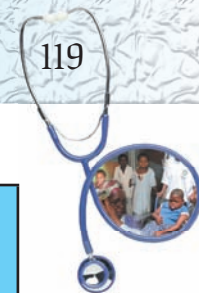
Table 22: Programme Performance

OBJECTIVES	INDICATOR	TARGET 2004/2005	TARGET 2005/2006	ACTUAL PERFORMANCE 2005/2006
Develop and implement HRD policies and systems to ensure effective HRD practices	Input: Central selection for nurse training maintained by all nursing campuses	100%	100%	1900 (100%) of nurses centrally selected for all basic programmes
	Fixed term contract for new nursing recruits maintained	1500	1613	1613 fixed term contracts signed
	No. of study leave contracts for nurses signed in 2003	936	1644	1644 study leave contracts signed
	Implementation of a uniform nursing curriculum for the Province of KwaZulu – Natal	Implemented 1 July 2005	1 July 2005	Uniform curriculum approved by the South African Nursing Council – Oct 2004
	Implementation of recognition of prior learning policy	Implement 2006	Implement 2006	Policy not yet implemented awaiting SANC
	Process: Improved selection procedure of student nurse intake	2006 Academic year	2006 Academic Year	Central selection policy revised student admission criteria reviewed and implemented
	Output: Number of centrally selected students	1300	1300	1234 qualified
	Quality: Attrition rate of nurses after implementation of contractual obligations	0.5% due to death/failure	0.5% due to death/failure	3.5% due to death/failure
Provide for the cost effective training of nurses to meet the service needs of the department	Input: Numbers: intake of students (basic and post basic nursing admitted to nursing training)	2700	2900	2936



OBJECTIVES	INDICATOR	TARGET 2004/2005	TARGET 2005/2006	ACTUAL PERFORMANCE 2005/2006
<p>Strategy: Identify formal training at basic and post basic level. Quantify the numbers and categories of nurses to be trained annually, based on service delivery needs and priorities</p> <p>A combination of in – house training at the KZN nursing school and colleges and sponsorship of University training provided through bursaries. Monitor and evaluate nurse training programmes</p>	Bridging Nurse training (EN-RN)	430	500	657 Bridging Course Students
	Basic Nurse training	1600	1600	1613 Basic Nurse Training students
	Post Basic Nurse training	500	660	666 Post Basic Students admitted
	Primary Health Care Training	200 (cumulative)	250	249
	Process: Improved selection procedure of student nurse intake	2004/2005	2005/2006	2005/2006
	Output: Numbers of graduates: basic	1300	1500	1528 Basic Graduates
	Number of graduates: Post-basic	350	500	649 post-basic graduates
	Quality: Attrition rates per year	0.5% to death/failure	0.5%	3.5% due to death/failure
	Percentage of first year entrants who graduate from formal training courses	99.5%	90%	87.5% pass rate. Attrition mainly due to death/failure
	Efficiency: Average training cost per graduate Bridging Nurse Training	R120 000	R120 000	R 83 390
Basic Nurse Training	R 70 000	R 50 000	R 50 206	
Post Basic Nurse Training	R120 000	R130 000	R133 655	





OBJECTIVES	INDICATOR	TARGET 2004/2005	TARGET 2005/2006	ACTUAL PERFORMANCE 2005/2006
Ensure appropriate development of human resources to support health service delivery	Outcome: Percentage of graduate nurses in a Public Service post within 3 months of successful completion of basic nurse training programmes	100%	100%	100%
	Input: Numbers in intake of students in tertiary institutions		709	612 students receiving DOH bursaries
	Students in Cuba	72	53	53 PDI's currently studying in Cuba
	Strategy: Identify formal training needs or health professional training. Quantify the number and categories of health professionals to be trained annually based on service needs	Process: Improved representation of PDI students in intake	African: 82% Indian: 9% White: 7% Coloured: 2%	70% 10% 10% 10%
	Output: Numbers of Health science graduates	158	163	119
	Quality: Attrition rates per year of health science formal training	0.75% due to death/failure	-	0.32%

EMRS TRAINING

An excellent result was achieved with the BLS programme in that a 92% pass rate was achieved. These trainees were recruited as part of a poverty alleviation programme and all 46 are now employed in EMRS.

Due to a lack of student accommodation and human resources at the college the targeted number of 144 for the ILS programmes could not be reached. Out of a scheduled 6 courses only three were actually conducted in this reporting period.

Eight candidates were successful on the ALS programme.



Table 23: Programme Performance

OBJECTIVES	INDICATOR	TARGET 2004/2005	TARGET 2005/2006	ACTUAL PERFORMANCE 2005/2006
Increase the number of Basic, Intermediate and Advanced Life Support trained personnel	BLS	0	50	46
	ILS	160	144	47
	ALS	16	24	8

Table 24: Health Professionals Training and Development Grant

INDICATOR	TYPE	ACTUAL 2002/03	ACTUAL 2003/04	ACTUAL 2004/05	ACTUAL 2005/06	STRAT PLAN TARGET 2005/2006
Input						
Intake of medical students	No	338	402	419	340	154
Intake of nurse students	No	119	51	84	71	41
Students with bursaries from the province	No	574	692	567	201	759
Process						
Attrition rates in first year of medical school	%	0	0	0.48	Nil	0
Attrition rates in first year of nursing school	%	0.4	0.4	0	0.5	0
Output						
Basic medical students graduating	No	80	79	87	103	118
Basic nurse students graduating	No	15	22	35	30	50
Medical registrars graduating	No	0	0	0	-	0
Efficiency						
Average training cost per nursing graduate	R	58 000	62 000	67 000	65 500	-
Development component of HPT & D grant spent	%	0	0	0	0	-



Table 25: Human Resources Management

		Actual 2002/03	Actual 2003/04	Actual 2004/2005	Actual 2005/06	Strat Plan Target 2005/06
Input						
Medical officers per 100 000 people	No	9.93	10.08	12	0.21	14
Medical officers per 100 000 people in rural districts ²	No	5.74	6.53	7.5	0.13	9.0
Professional Nurses per 100 000 people	No	93.50	96.33	98	1.17	101
Professional Nurses per 100 000 people in rural districts ²	No	75.22	75.69	80	0.88	84
Pharmacists per 100 000 people	No	2.41	2.17	5	0.05	10
Pharmacists per 100 000 people in rural districts ²	No	0.89	0.81	2	0.02	5
Process						
Vacancy rate for nurses	%	25.49%	22.29%	21	41.50%	19
Attrition rate for doctors	%	25%	24%	23	-	90
Attrition rate for professional nurses	%	14.35%	10.91%	10	-	12
Absenteeism for professional nurses	%	3.1%	2.9%	2	-	70
Output						
Doctors recruited against target	%	64.74%	63.29%	64	45.59%	67
Pharmacists recruited against target	%	58.04%	54.55%	54	17.41%	56
Professional Nurses recruited against target	%	74.51%	77.71%	79	58.50%	82
Community service doctors retained	%	86.93%	95.39%	95	-	90
Efficiency						
Nurse clinical workload (PHC)	Ratio	N/A	N/A	1:8000	1:8085	1:8085
Doctor clinical workload (PHC)	Ratio	N/A	N/A	1:170000	1.165000	1:160 000
Outcome						
Surplus staff as a percentage of establishment	%	N/A	0%	None	None	None



Programme 7



Health Care Support Services





AIM

The procurement, storage and distribution of medicines to public health care facilities is the core function of the Provincial Medical Supply Centre (PMSC). In addition the Centre carries out a fair amount of pre-packing of tablets and capsules into patient ready packs.

The Provincial Medical Supply Centre aims to ensure that all essential medicines are available at all times and in sufficient quantities to meet the needs of the people of KwaZulu-Natal, especially those who are wholly dependent on public health facilities. This is achieved through improved relationships and communication with suppliers, an efficient and accessible storage and retrieval system and a reliable, out-sourced courier service for distribution.

ANALYTIC REVIEW

Although PMSC fell short in achieving the target of 95% in processing orders, which can be attributed to the inadequate level of the standard stock account, an achievement of 93% was attained. 98% of Primary Health Care clinics are now supplied directly from PMSC instead of via a hospital. This led to a vastly improved stockholding level at the first point of entry into the health system for many of our people.

POLICIES, PRIORITIES, CHALLENGES AND CONSTRAINTS

The Centre is experiencing a shortage of space as a result of the increased level of service occasioned by direct delivery to PHC clinics, some NGO's and municipal clinics, as well as the demands of the ARV programme. In order to function efficiently consideration will have to be given to relocating the Centre to larger premises.

Certain firms who had been awarded the national tender to supply the Centre were unable to meet the demand and it was necessary to seek alternative suppliers for those items that could not be supplied. It proved very difficult to obtain sufficient quantities as many suppliers were not geared to produce the large volumes that were required.

The quantification of estimates for submission to the National Committee for Medical Provisioning (COMED) needs to be improved in order to enable suppliers to make accurate estimates for the procurement of raw materials. This aspect has become even more critical with the introduction of the Comprehensive Plan for the Prevention, Care, Management and Treatment of HIV and Aids, as patient compliance levels should not be less than 90%.



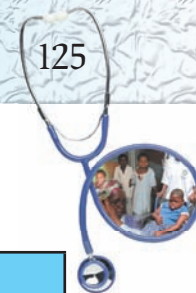


Table 26: Programme Performance

OBJECTIVES	INDICATOR	ACTUAL 2004/2005	ACTUAL 2005/2006	ACTUAL PERFORMANCE 2005/2006
Improve ability to cope with supplier stock-outs	Adequate Standard Stock Account	R51 million	R58.6 million	R58.6 million was achieved. The increased Standard Stock Account limit has enabled PMSC to order larger quantities, thus making it possible to increase stock levels to meet higher demand. To increase service a Stock Account of approx. R90 million is required.
Adequate stock-holding	Annual Turnover	R632 million	R809 million	R809 million was achieved. Although the target was not attained this was a positive development and is a direct result of the increased Standard Stock Account. PMSC have been able to handle higher stocks than in the previous year.
Sufficient stock available at end user	Successful first time filling of requisitions	92% of all requisitions filled at the time of receipt.	92%	93 % was achieved. The shortfall was due to the fact that PMSC has introduced direct delivery to PHC clinics. However, the turnover rate has increased from 12 to 13 times annually.
Direct distribution to all PHC clinics	Percentage of PHC clinics receiving direct deliveries from PMSC	98 %	98 %	98 % was achieved. Some clinics still do not have the capacity to order directly, due to staff constraints. It is hoped that the target of 100% will be achieved in 2006/ 2007.

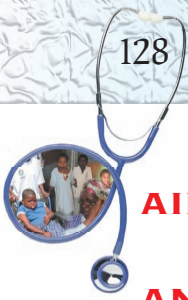


Programme 8



Facilities Management





AIM

ANALYTIC REVIEW

Whilst the Component has made considerable progress with regard to upgrading of health facilities in the Province, a number of challenges prevented the projects being achieved at the expected pace. One of the prime problems has been a shortage of trained staff and the non performance of executing Departments external to the Department of Health.

The health facilities are managed between on-site hospital management and Head Office facilitation. With a few exceptions, each institution has its own workshop to render routine day-to-day maintenance with a basic staff complement to undertake such maintenance. Larger, more complex upgrade and repair work is referred to Head Office for assistance and facilitation.

POLICIES, PRIORITIES, CHALLENGES AND CONSTRAINTS

Presidential Lead Project

A major upgrade of and extensive renovations to Hlabisa Hospital are progressing well and the Presidential Lead Project with a total project value \pm R85 million is nearing completion. The site was handed over on the 20th of October 2004 and significant progress has already been achieved with many of the housing units already occupied.

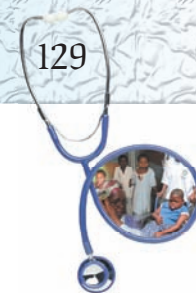
The project is multifaceted and complex and is being managed and implemented by the Independent Development Trust (I.D.T.) with assistance through the Department of Works.

Fast-tracking of facilities

The Department has secured a 2 year period contract for the provision of "parkhome" type accommodation. This has greatly facilitated the provision of particularly ARV rollout facilities and residential accommodation and will be extended to include other facilities as required.

Some 153 units were installed during the reporting year.





Rental of Office and related accommodation

The following Leases were initiated during the reporting period:

PIETERMARITZBURG REGION	
Port Shepstone Nursing College	2209 Veronica Rd. Gamalakhe
EU Programme	234 Church St. Perm Building
TB Assoc: Doris Goodwin Santa Centre	Erf 441 Plessis - laer
TB Assoc: Dunstan Farrell S. C	Ptn 2 of the farm Lot 73a 2625
Primary Health Care	3 St John's St, Kokstad
District Office - Brasfort House	262 Longmarket St, Pmb
DURBAN REGION	
PMTCT Programme	10 Derby Downs, Westville
Stanger Hospital – Storage space	8 King Shaka Road, Stanger
DM Stanger – District Office	77 Hulett Street, Stanger
Primary Health Care – Stanger	77 Hulett Street, Stanger
Primary Health Care – Umphumulo	Mathenywase Community Centre
St Aidans Hospital – Parking	Centenary Road, Durban
EMRS – Kwamashu	Portion of Ntuzuma Fire Station
Port Health	21 Field Street, Durban (Sagelife)
TB Assoc: Don Mckenzie Centre	Botha's Hill Health Committee area
TB Assoc: Charles James S. Centre	Erf 1866 Kwamakhutha B
LADYSMITH REGION	
District Office – Dundee	Etna Building
Madadeni Nursing College	Police Station Rd East End
Abaqulusi District Office– Vryheid	Queenspark Building, 286 Boeren St
ULUNDI REGION	
District Office – Empangeni	2 Lood Avenue, Empangeni
EMRS – Empangeni	2 Lood Avenue, Empangeni
Sub District Office - Pongola	223 Klasie Havenga St, Pongola

Official Housing Policy

The Official Housing Policy has assisted Institutional Managements to better manage their housing stock through providing clear guidelines on the provision of residential accommodation, categories of qualifying staff, allowed furnishings and the domestic charges to be raised.

The policy has also allowed the Department to readily identify areas where accommodation is short and implement measures to address them. The Policy is currently once again under revision.



CLINIC UPGRADING & BUILDING PROGRAMME

the Following clinics and CHC's were built in 2005/2006

NAME	TYPE	LOCATION
A.E.Haviland	Replacement clinic	Uthekela District
Otimati	Replacement clinic	Ilembe
CJM Nqutu	New clinic	Inzinyathi
Kwandaba	Replacement clinic	Umkhanyakude
KwaMteyi	Additions to clinic	Uthukela

The following clinics are to be built and are in various stages nearing completion.

NAME	TYPE	DISTRICT	EXPECTED COMPLETION DATE
Jozini clinic	Replacement	Umkhanyakude	April 2006
Nongoma clinic	New clinic	Zululand	April 2006
Nxamalala	Replacement	Umgungundlovu	October 2005
Murchison clinic	New clinic	Ugu	December 2005
Umnini clinic	New clinic	Ethekwini	April 2006
Kwamashumi clinic	New clinic	Sisonke	January 2006
Isithebe clinic	New Clinic	Ilembe	May 2006
Qalukubheka clinic	Replacement	Zululand	May 2006
Ekombe clinic	New clinic	Uthungulu	May 2006
Pongola clinic	New clinic	Zululand	Sept 2006
Verdriet clinic	New clinic	Amajuba	August 2006
Charlestown clinic	New clinic	Amajuba	September 2006
Groenvlei clinic	New clinic	Amajuba	September 2006
Underberg clinic	Replacement	Sisonke	2007
Richmond clinic	Replacement	Umgungundlovu	June 2006
Sokela	New clinic	Sisonke	February 2006
KwaMakhuta	Replacement	Ethekwini	2007
Ulundi A	Replacement	Zululand	February 2007
Modenela	Replacement	Umkhanyakude	2007
Taylor's Halt	Upgrade	Umgungundlovu	October 2006
Chibini	Upgrade	Uthungulu	July 2006
Mpandleni	New clinic	Uthungulu	2007
Manguzi	PMCTC clinic	Umkhanyakude	June 2006
Ngwelezana	Pmctc clinic	Uthungulu	September 2006
Newcastle	PMTCT clinic	Amajuba	September 2006
Madadeni	PMTCT clinic	Amajuba	September 2006
Mahatma Ghandi	PMTCT clinic	Ethekwini	August 2006



NAME	TYPE	DISTRICT	EXPECTED COMPLETION DATE
Estcourt	PMCTC clinic	Uthekela	October 2006
Nongoma	PMCTC clinic	Zululand	October 2006
RK Khan	HAART clinic	Ethekwini	September 2006
Ithelejuba	HAART clinic	Zululand	August 2006
Northdale	HAART clinic	mgungundlovu	September 2006
Edendale	HAART clinic	Umgungundlovu	September 2006
Mseleni	PMTCT clinic	Umkhanyakhude	2007

ALTERNATIVE METHODS OF CONSTRUCTION

The following 3 projects have been identified as possible pilot projects for 3 overseas firms interested in tendering to manufacture and assemble modular clinic projects. The modular sections will be built overseas and assembled at site

- Thenjane Clinic - Ugu District
- Bhamshela Clinic - Umgungundlovu District
- Engonyameni Clinic - Metro

DEVELOPMENT BANK OF SOUTH AFRICA

The Development Bank of South Africa, acting as agents for the Kreditanstalt Fur Wiederaufbau in Germany, obtained funding to improve VCT services in 3 Provinces In R.S.A. KwaZulu-Natal was selected as one of the Provinces to benefit from the funding The funding includes pre and post surveys for service provision and a facilities audit. This project is well advanced regarding the improvement of physical facilities with AFRICON and LEAP ARCHITECTS appointed for the designs, documentation and management of the project. Tenders have been awarded and contractors are expected to be on site at 29 clinics in January 2006. The cost is estimated at R 15 million. Park homes are on order for the balance of clinics that could not be funded from the donation.

OTHER DONATIONS

Z.A.C.

Donation of a fitted mobile unit to Zululand District.

ANGLO AMERICAN CHAIRMAN'S FUND/MONDI

Discussions in progress for the construction of a Multi Purpose clinic at Kwamagaza Hospital.

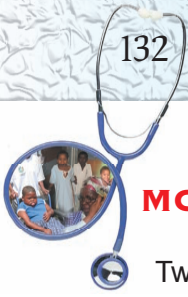
RICHARDS BAY MINERALS

Discussions in progress together with HOPE for the donation of a clinic at Empenbeni HOPE also initiated the building of the Ekombe clinic at Ekombe Hospital.

ITALIAN GOVERNMENT

Negotiations have started regarding a donation towards the building of the new Kwasenge clinic.





MOBILE UNITS

Two companies were awarded the tender to construct 75 new mobile units. They have completed the work and the Units were released to the Districts.

ELECTRICITY

ESKOM finalised the electrification of the last 2 clinics namely Bhekubantu, and Oqondweni, situated in the uMkhanyakude District which were delayed due to problems caused by the need for environmental impact studies and permission from Department of Water Affairs to clear the bush.

TELEPHONES

Following an ongoing drive to improve telephone communication at clinics 114 clinics, have now been provided with telephone communication systems, leaving a balance of only 6 as follows:

- Kleinfontein Uthukela District (where a pilot is in progress using a Microwave system and, if successful, will be rolled to the remaining sites)
- Quinelani Umzinyathi District
- Collessie Umzinyathi District
- Manyane Umkhanyakude District
- Ntondweni Umkhanyakude District
- Samungu Uthungulu District

CONVERSIONS TO ELECTRICITY

This programme of identification of sites suitable for conversion from steam boilers to point of use electrical plant is ongoing. These conversions ensure cost effective usage of energy and reduce environmental pollution.

Recently converted facilities are Nkonjeni, Ceza, and Manguzi Hospitals which brings the total number of conversions to 27. This has resulted in a considerable saving.

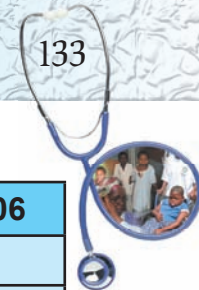
Some of the benefits derived from these conversions are as follows:

- Reduced running costs
- Plant not dependant on a single central source of energy supply
- Environmentally more acceptable
- No costly maintenance services as required by the OHS Act.

LIST OF PROJECTS COMPLETED IN THE PAST YEAR

During the past twelve months 462 projects to the value of ± R160 million were completed and are made up as follows:-



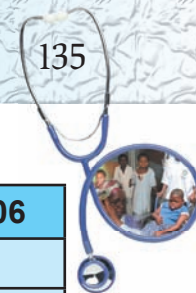


FACILITY TYPE	ACTIVITY	Data	2005/2006
CHRONIC MEDICAL HOSPITAL	NEW FACILITIES	No of projects	1
		Spent 06/07	401,108
CHRONIC MEDICAL HOSPITAL No of projects			1
CHRONIC MEDICAL HOSPITAL Spent 06/07			401,108
COMMUNITY HEALTH CENTRES	NEW FACILITIES	No of projects	27
		Spent 06/07	15,989,846
	REHAB/RENOV	No of projects	5
		Spent 06/07	817,638
	UPGRADING	No of projects	3
		Spent 06/07	514,685
COMMUNITY HEALTH CENTRES No of projects			35
COMMUNITY HEALTH CENTRES Spent 06/07			17,322,168
COMMUNITY HEALTH CLINICS	MAINTENANCE	No of projects	48
		Spent 06/07	1,036,469
	MOBILE CLINIC	No of projects	3
		Spent 06/07	9,867,988
	NEW FACILITIES	No of projects	27
		Spent 06/07	15,710,917
	REHAB/RENOV	No of projects	2
		Spent 06/07	0
UPGRADING	No of projects	107	
	Spent 06/07	9,759,260	
COMMUNITY HEALTH CLINICS No of projects			187
COMMUNITY HEALTH CLINICS Spent 06/07			36,374,634



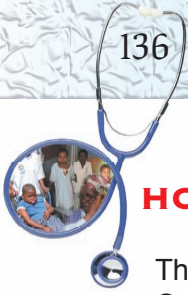
FACILITY TYPE	ACTIVITY	Data	2005/2006
DISTRICT HOSPITALS	MAINTENANCE	No of projects	4
		Spent 06/07	799,941
	NEW FACILITIES	No of projects	94
		Spent 06/07	35,635,774
	REHAB/RENOV	No of projects	5
		Spent 06/07	3,908,905
	REPLACEMENT	No of projects	5
		Spent 06/07	2,289,541
	UPGRADING	No of projects	36
	Spent 06/07	6,229,033	
DISTRICT HOSPITALS No of projects			144
DISTRICT HOSPITALS Spent 06/07			48,863,193
EMERGENCY MEDICAL SERVICES	NEW FACILITIES	No of projects	10
		Spent 06/07	4,196,592
	UPGRADING	No of projects	3
		Spent 06/07	176,103
EMERGENCY MEDICAL SERVICES No of projects			13
EMERGENCY MEDICAL SERVICES Spent 06/07			4,372,695
GENERAL HOSPITAL	NEW FACILITIES	No of projects	11
		Spent 06/07	6,043,059
	REHAB/RENOV	No of projects	1
		Spent 06/07	1,613,271
	REPLACEMENT	No of projects	1
		Spent 06/07	0
	UPGRADING	No of projects	25
	Spent 06/07	8,731,066	
GENERAL HOSPITAL No of projects			38
GENERAL HOSPITAL Spent 06/07			16,387,396
OTHER SERVICES	REPLACEMENT	No of projects	2
		Spent 06/07	42,000
	UPGRADING	No of projects	16
		Spent 06/07	4,469,793
OTHER SERVICES No of projects			18
OTHER SERVICES Spent 06/07			4,511,793





FACILITY TYPE	ACTIVITY	Data	2005/2006
PSYCHIATRIC HOSPITAL	UPGRADING	No of projects	14
		Spent 06/07	12,400,437
PSYCHIATRIC HOSPITAL No of projects			14
PSYCHIATRIC HOSPITAL Spent 06/07			12,400,437
TB HOSPITAL	NEW FACILITIES	No of projects	5
		Spent 06/07	1,762,514
	REPLACEMENT	No of projects	1
		Spent 06/07	14,483,875
	UPGRADING	No of projects	3
		Spent 06/07	536,299
TB HOSPITAL No of projects			9
TB HOSPITAL Spent 06/07			16,782,688
TERTIARY HOSPITAL	NEW FACILITIES	No of projects	1
		Spent 06/07	2,233,979
	UPGRADING	No of projects	
		Spent 06/07	0
TERTIARY HOSPITAL No of projects			1
TERTIARY HOSPITAL Spent 06/07			2,233,979
CORONER SERVICES	NEW FACILITIES	No of projects	1
		Spent 06/07	838,870
CORONER SERVICES No of projects			1
CORONER SERVICES Spent 06/07			838,870
TRAINING COMPLEX	UPGRADING	No of projects	1
		Spent 06/07	2,206
TRAINING COMPLEX No of projects			1
TRAINING COMPLEX Spent 06/07			2,206
Total No of projects			462
Total Spent 06/07			160,491,167





HOSPITAL REVITALISATION PROGRAMME

The following revitalisation projects have been approved and are funded from the National Conditional Grant:

KZN001	KING GEORGE V HOSPITAL
KZN002	EMPANGENI GROUP HOSPITALS
KZN003	DR. PIXLEY ka SEME MEMORIAL HOSPITAL
KZN004	DR. JOHN DUBE MEMORIAL HOSPITAL
KZN005	HLABISA HOSPITAL
KZN006	MADADENI HOSPITAL

The progress has not been good on these projects and for this reason we have proposed the introduction of a Design and Management Contract which Cabinet has approved and should soon be implemented.

REVITALISATION PROGRAMME BUSINESS CASES

Consultants were appointed to prepare new and updated business case to facilitate the inclusion of further projects in the Revitalisation Programme.

Business Cases have been submitted in respect of:

Edendale Hospital Pietermaritzburg and King Edward VIII Hospital Durban

We are currently awaiting the approval of these Business Cases.

HEALTH TECHNOLOGY UNIT

Equipment received for repairs

The number of equipment received for repairs during the annual reporting period was 21456 items. This does not include on site services carried out by the technical staff.

Productivity

An average of 74.5 % productivity level was maintained during the reporting period. This productivity level is good considering the resignations of eight technicians of which four were supervisory technicians.

Incidents and injuries

An incident free period with regard to injuries sustained from the use of medical equipment to both patients and users was achieved.

In-House repairs versus outsourcing

The outsourcing of repairs during the reporting periods was 1.5 % of the total items of 21456 that were for repairs and this is very encouraging when considering the fact that eight technicians had resigned during this reporting period.





Equipment damaged through maltreatment

During the reporting period a total of 0,5 % of the medical equipment received for repairs appeared to be damaged through maltreatment. The cases were reported to the authorities for the necessary action to be taken.

Period tender for medical equipment

A Period Tender has been published for the purchase of Medical equipment and is currently under evaluation for award.

Critical equipment covered by Service Agreements

These figures are as follows:

Dialysis Machines	-	100%
I. C. U. Ventilators	-	90%
Anaesthetic Machines	-	85%

This had helped to maintain improved patient care and safety.

All other critical equipment not covered by service agreements is serviced on a planned regular basis by the technicians of this Unit.

Workshop at Edendale Hospital

The workshop was opened during August 2005 and was performing satisfactorily until January 2006 when the technician that was based at this workshop resigned. This workshop unfortunately had to be temporarily closed down until a suitable technician is identified for placement.

Workshop at Bethesda Hospital

A Park Home type workshop was installed during this reporting period. The workshop will be equipped and staffed once a suitable technician is identified for placement.

Fast tracking of training of technicians including new appointees

Eight well experienced technicians had resigned during this reporting period. Faster training methods were identified in order not to compromise service delivery. Five staff members, of which three were newly appointed technicians, were identified for a short training course of ten days which began on 03 April 2006 at the Tshwane University of Technology.

Feedback reports from the technicians were positive.

Acceptance tests for new medical equipment

A total of 3142 acceptance tests for various types of new medical equipment were conducted.

ESSENTIAL HEALTH TECHNOLOGY EQUIPMENT PROGRAMME (EHTEP)

As part of the programme to replace medical equipment that is old, redundant and in poor condition and also to fill the medical equipment gaps, approximately 3787 items of medical equipment to the value of approximately R 43 million have been purchased in the past year.





Approximately 331 items of medical equipment at a cost of approximately R4,6 million have been purchased and supplied to the revitalisation hospitals.

In addition to the above, 8417 items of hospital furniture were purchased at an approximate cost of R50 million for various hospitals. A further 4052 items of hospital furniture to the value of approximately R9,35 million have been purchased for the revitalisation hospitals in the past financial year.

The following items of equipment were acquired during the financial year :

- 157 x vaccine fridges for various clinics and hospitals.
- 4 x Anaesthetic units for Port Shepstone & St Aidans Hospitals – cost R1,9 million.
- 25 x centrifuges for various laboratories.
- 142 x wall mounted diagnostic sets for various clinics.
- 62 x infant resuscitation units for various hospitals and clinics.
- 235 x suction units for various hospitals and clinics
- 69 items of various test equipment for Health Technology Unit (Equipment to test electromedical equipment).
- X - ray units for Niemeyer Memorial, Christ The King, Murchison & Greytown Hospitals, and Phoenix CHC and Tongaat CHC.
- Audiology equipment for Christ The King & King George V Hospitals.
- Arthroscopic shaver system for Stanger Hospital – Cost R500 000.00.
- 81 x Autoclaves for various hospitals & clinics.
- 21 Cardiograph units for various hospitals & clinics.
- X – ray mammography unit for Addington Hospital.
- 16 x Electrocardiograph units for various hospitals.
- 186 x NIBP monitors for various hospitals and clinics.
- 4 x ventilators for Port Shepstone hospital – cost R620 000.00
- 41 x cholesterol testing units for the various clinics.
- 145 x peak flow meters for the various clinics.
- 194 x haemoglobinometers for the various clinics.
- 54 x laryngoscopes – fibre - optic for the various clinics.
- 311 blood glucose meters for the various clinics.
- 38 x nebulizer – electrocompressor type for the various clinics.
- Dental processor, dental x – ray unit and a complete dental examination chair for Kwa Mashu hospital.
- Radiotherapy & Oncology system for Greys hospital – R27 million.
- 800 x digital thermometers for various hospitals & clinics.
- 1 x video endoscopic system (ERCP) for King Edward V hospital – cost R950 000.00.
- 2 x X- ray portable units for Christ The King and Emmaus hospitals
- Yag laser for Greys hospital – cost R330 000.00.
- Urodynamic system and urology ultrasound system for St Aidans hospital – cost R700 000.00.
- Ultrasound units for Mbongolwane, Nkandla & Wentworth hospitals and Hlengisizwe & Edumbe CHC's – cost R500 000.00.
- X – ray c – arm image intensifier for Madadeni hospital – cost - R600 000.00.
- ENT equipment for Air Mercy Services – cost - R800 000.00.

Radiology Equipment Purchased and Commissioned :

The installation and commissioning of the mammography units at King Edward VIII, Greys, R K Khan and Prince Mshiyeni hospitals.

The installation and commissioning of the replacement X - ray units at Niemeyer Memorial and Christ the King hospitals and Phoenix and Tongaat CHC's.

The installation and commissioning of the CT Scanner and MRI scanner at Ngwelezana Hospital.





Medical Equipment Purchased for Air Mercy Services :

45 items of medical equipment have been purchased and delivered. All items of equipment requested from Air Mercy Services for the ENT outreach programme have been purchased and delivered.

Purchase of vaccine fridges :

Many of the institutions in the province were utilising domestic fridges for the storage of vaccines and medication. These institutions were identified with the assistance of PMSC and vaccine fridges were purchased and delivered to the clinics/institutions.

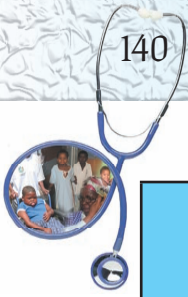
Replacing of mercury thermometers :

The use of mercury thermometers has become hazardous to the patient. This department purchased 800 digital thermometers to assist the institutions in replacing their mercury thermometers and thus helping them to start the phasing out of the use of mercury thermometers.

Purchase of test equipment for Health Technology Unit :

69 items of test equipment were purchased for HTU to assist them in carrying out repairs and the necessary tests on medical equipment.





OBJECTIVES	INDICATOR	TARGET 2005/2006	ACTUAL PERFORMANCE 2005/2006
INFRASTRUCTURE DEVELOPMENT			
Improve the method of measuring the condition of Physical Facilities	Institute a revised tool through the implementation of Three Pilot Projects	100%	100%
Address the current Residential Accommodation shortfall (Phase 1)	Provision of 40 Homes	100%	100%
To develop a Planning Guide for Mechanical, Electrical and Structural Engineering Consultants	Publish a Policy and Guidelines for Mechanical, Electrical and Structural Installations and Equipment	100%	100%
Improve the delivery of Physical Infrastructure by means of a Multi-Year Program	Implement and Manage 29 Projects with the Ithala Development Finance Corporation	50%	50%
Develop new, and refurbish existing mortuaries	Replace 2 mortuaries and upgrade 5	50%	50%
Convert existing coal fired boilers	Conversion of 3 coal fired boilers	100%	100%





OBJECTIVES	INDICATOR	TARGET 2005/2006	ACTUAL PERFORMANCE 2005/2006
HEALTH TECHNOLOGY			
Ensure that all life support medical equipment is purchased with or placed on a maintenance agreement.	% of life equipment on maintenance agreements.	80%	91,6%
Reduce number of equipment sent to agents for repair.	% Repairs outsourced. Based on total received	20%	17%
Reduce number of damaged medical equipment received for repairs.	% Equipment damaged by Institutions received for repairs based on total received.	4%	0,57%
MERP involved in the upgrading of technology.	Essential Health Technology package for Institutions. (Baseline equipment lists).	100%	100%



Part 6



Human Resource Management : Oversight Report



TABLE 28 – Main services provided and standards

Main Services	Actual Customers	Potential Customers	Standard of Service	Actual Achievement against Standard
Creation of posts	Line function and support personnel of the Department	Members of the population attracted to work in the department	Efficient workforce	Organogram rationalised to meet the needs of the department
Human resource development	All employees of the department	Students in tertiary institutions	Efficient employees	Personnel competencies enhanced, in line with job description requirements
Human resource provisioning	All employees in the department	New applicants	Number of appointment	Appropriately placed personnel
Labour relations	All employees in the department	None	Awareness of Conditions of Service and Labour Relations prescripts	Competence developed at district and institutional levels to deal appropriately with labour relations cases
Evaluation of posts	Employees in the department	None	Appropriate level of posts determined	Appropriate skills mix & competencies identified in order to compliment department's organogram
Employee Assistance Programme	Employees in the department	None	Workplace based support system available in all institutions	Awareness created of procedures to access programmes to ensure a better work environment





TABLE 29 – Consultation arrangement with customers

Type of Arrangement	Actual Customers	Potential Customers	Actual Achievements
Institutional Management and Labour Committees (IMLC's)	Employees, Organised Labour and Management	None	Committees at each institution provide first level intervention, thereby reducing escalation of grievances to disputes.
Bargaining Chamber	Employees, Organised Labour and Management	None	The Chamber provides an appropriate forum to resolve disputes emanating from IMLC's and approve policies with Provincial impact
Human Resource Management Forum	Employees	Organised Labour	Allows first level contact with all districts to provide guidance of HR issues

TABLE 30 – Service Delivery Access Strategy

Access Strategy	Actual Achievements
Batho Pele principals Patients' Rights Charter	Employees and patients have been capacitated in terms of raised awareness of their rights. Quality assurance, monitoring and evaluation conducted with a view to redressing shortcomings

TABLE 31 – Service Information Tool

Types of Information Tool	Actual Achievements
Information Kiosks Departmental website Telemedicine Teleconferencing	Information disseminated through these mechanisms to build capacity with raised awareness of staff and customers

TABLE 32 – Complaints Mechanism

Complaints Mechanism	Actual Achievements
Grievance procedure	Fully Operational
Dispute resolution mechanism	Fully Operational



TABLE 33 – Personnel costs by programme, 2005/06

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
Programme 1: Administration	192,917	103,571	0	0	53.69
Programme 2: District Health Services	4,924,947	3,012,772	0	0	61.17
Programme 3: Emergency Medical Services	420,604	230,047	0	0	54.69
Programme 4: Provincial Hospital Services	2,796,082	1,836,400	0	0	65.68
Programme 5: Central Hospital Services	1,068,606	387,107	0	0	36.23
Programme 6: Health Sciences And Training	408,226	296,867	*	0	72.72
Programme 7 Health Care Support Services	7,600		0	0	0
Programme 8 Health Facilities Management	736,770	0	0	0	0
Total	10,555,752	5,866,764		0	55.58

Note

* The total budget for Programme 6: Health Sciences and Training relates to training.



TABLE 34 – Personnel costs by salary bands, 2005/06

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)	707 141	11.9	135079	5 924 091	5 235
Skilled (Levels 3-5)	1 505 316	25.4	51916	5 924 091	28 995
Highly skilled production (Levels 6-8)	2 396 605	40.5	164354	5 924 091	14 582
Highly skilled supervision (Levels 9-12)	954 122	16.1	153248	5 924 091	6 226
Senior management (Levels 13-16)	102 097	1.7	548909	5 924 091	186
Other	214	0	16 462	5 924 091	13
Periodic Remuneration	19 413	0.3	28 975	5 924 091	670
Abnormal Appointment	130 193	2.2	46 266	5 924 091	2 814
Total	5 815 101	98.2	99 029	5 924 091	58 721



TABLE 35 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by programme, 2005/06

Programme	Salaries		Overtime		Home Owners Allowance		Medical Assistance		Total Personnel costs (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	68,694	66.33	1,487	1.44	1,361	1.31	4,508	4.35	103,571
Programme 2: District Health Services	2,019,737	67.04	91,895	3.05	41,667	1.38	142,437	4.73	3,012,772
Programme 3: Emergency Medical Services	141,648	61.57	40,416	17.57	3,515	1.53	11,427	4.97	230,047
Programme 4: Provincial Hospital Services	1,262,181	68.73	95,288	5.19	29,479	1.61	84,825	4.62	1,836,400
Programme 5: Central Hospital Services	258,010	66.65	22,501	5.81	4,826	1.25	18,064	4.67	387,107
Programme 6: Health Sciences And Training	215,993	72.76	16,106	5.43	1,701	0.57	12,270	4.13	296,867
Programme 7: Health Care Support Services	0	0	0	0	0	0	0	0	0
Programme 8: Health Facilities Management	0	0	0	0	0	0	0	0	0
Total	3,966,263	67.61	267,693	4.56	82,549	1.41	273,531	4.66	5,866,764

Note

The item salaries above refers to the SCOA item S&W: Basic Salary (Res)



TABLE 36 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands, 2005/06

Salary Bands	Salaries		Overtime		Home Owners Allowance		Medical Assistance		Total Personnel costs (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)	533 565	74.4	1 827	0.3	17 337	2.4	37 461	5.2	717232
Skilled (Levels 3-5)	1 100 072	71.8	43 219	2.8	29 475	1.9	91 773	6	1 531 972
Highly skilled production (Levels 6-8)	1 731 449	70.8	54 328	2.2	30 180	1.2	117 553	4.8	2 446 214
Highly skilled supervision (Levels 9-12)	545 251	56.1	154 996	16	4 315	0.04	23 947	2.5	971 124
Senior management (Levels 13-16)	50 291	47.9	11 551	11	645	0.06	2 671	2.5	105036
Other	154	69.4	0	0	4	1.8	20	9	222
Periodical Remuneration	-19	-0.1	0	0	0	0	0	0	19 489
Abnormal Appointment	823	0.6	5	0	0	0	23	0	132 800
Total	3 961 586	66.9	265 926	4.5	81 956	1.4	273 475	4.6	5 924 089



TABLE 37 – Employment and vacancies by programme, 31 March 2006

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
(p1) administration, Permanent	1076	638	40.7	5
(p2) district health services, Temporary	43941	27877	36.6	1
(p2) district health services, Permanent	224	337	-50.4	0
(p3) emergency medical serv, Permanent	3181	2620	17.6	0
(p4) pro hospital services, Permanent	23792	16427	31	2
(p4) pro hospital services, Temporary	193	326	-68.9	0
(p5) central hospital, Permanent	4550	3015	33.7	1
(p5) central hospital, Temporary	19	31	-63.2	0
(p6) health sciences & train, Permanent	5177	3820	26.2	0
Persal Agencies, Permanent	30	13	56.7	1
Persal Agencies, Temporary	0	1	0	0
Trading Accounts, Permanent	137	131	4.4	0
Total	82320	55236	32.9	10

TABLE 38 – Employment and vacancies by salary bands, 31 March 2006

Salary band	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2)	15 362	10 925	28.9	0
Skilled (Levels 3-5)	30 393	22 756	25.1	0
Highly skilled production (Levels 6-8)	29 618	17 395	41.3	5
Highly skilled supervision (Levels 9-12)	6 525	3 967	39.2	5
Senior management (Levels 13-16)	417	189	54.7	0
Other	5	5	0	0
Total	82 320	55 237	32.9	10



TABLE 39 – Employment and vacancies by critical occupation, 31 March 2006

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Dental Practitioners	77	60	22.1	0
Dental Specialists	6	6	0	0
Medical Practitioners	3 515	2 414	31.3	1
Medical Specialists	1 356	561	58.6	1
Nursing Assistants	7 297	6 143	15.8	0
Pharmacists	1 690	419	75.2	0
Professional Nurses	17 150	9 918	42.2	0
Radiographers	810	430	46.9	0
Staff Nurses and Pupil Nurses	10 238	8489	17.1	0
Total	42 139	28 440	34.4	2



TABLE 40 – Job Evaluation, 1 April 2005 to 31 March 2006

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)	18 768	173	1	113	65.3	0	0
Skilled (Levels 3-5)	21 897	1145	5.2	0	0	1	0.09
Highly skilled production (Levels 6-8)	26 749	1309	0	61	5	61	0.08
Highly skilled supervision (Levels 9-12)	5 282	772	0	3	0.4	1	0.13
Senior Management Service Band A	339	199	58.7	0	0	0	0
Senior Management Service Band B	80	68	85	0	0	0	0
Senior Management Service Band C	5	2	40	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
Total	73 121	3668	189.9	177	70.7	63	0.3

TABLE 41 – Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2005 to 31 March 2006

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0

TABLE 42 – Profile of employees with a disability whose salary positions were upgraded due to their posts being upgraded, 1 April 2005 to 31 March 2006

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0



TABLE 43 – Employees whose salary level exceed the grade determined by job evaluation, 1 April 2005 to 31 March 2006 (in terms of PSR 1.V.C.3)*

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation	
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Total Number of Employees whose salaries exceeded the level determined by job evaluation in 2005/06				0	0
Percentage of total employment				0	0

TABLE 44 – Profiles of disabled employees whose salary level exceed the grade determined by job evaluation, 1 April 2005 to 31 March 2006 (in terms of PSR 1.V.C.3)*

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0

TABLE 45 – Annual turnover rates by salary band for the period 1 April 2005 to 31 March 2006

Salary Band	Number of employees per band as on 1 April 2005	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	15 208	1 256	714	4.7
Skilled (Levels 3-5)	17 500	2 982	1 117	6.4
Highly skilled production (Levels 6-8)	16 971	1 945	1 954	11.5
Highly skilled supervision (Levels 9-12)	2 936	531	435	14.8
Senior Management Service Band A	112	10	11	99.8
Senior Management Service Band B	46	4	2	4.3
Senior Management Service Band C	3	2	1	33.3
Senior Management Service Band D	1	1	1	100
Other	0	75	105	0
Total	52 777	6 806	4 340	8.2



TABLE 46 – Annual turnover rates by critical occupation for the period 1 April 2005 to 31 March 2006

Occupation:	Number of employees per occupation as on 1 April 2005	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Dental Practitioners	62	25	22	35.5
Dental Specialists	3	3	1	33.3
Dieticians and nutritionists	55	37	16	29.1
Emergency services related	4	1	1	25
Medical Practitioners	2 113	1 111	718	34
Medical research and related professionals	2	4	0	0
Medical specialists	545	152	174	31.9
Medical technicians / technologists	465	67	69	14.8
Nursing assistants	5896	788	269	4.6
Occupational therapy	96	54	40	41.7
Optometrists and Opticians	8	2	1	12.5
Oral Hygienists	18	5	2	11.1
Pharmacists	366	148	96	26.2
Physicists	5	1	0	0
Physiotherapists	194	75	66	34
Professional nurse	9 475	754	875	9.2
Psychologists and Vocational Counsellors	67	30	29	43.3
Radiographers	393	104	88	22.4
Speech Therapists and Audiologists	65	32	34	52.3
Staff nurses and pupil nurses	8 129	561	372	4.6
Supplementary Diagnostic Radiographers	11	2	1	9.1
TOTAL	27 972	3 956	2 874	10.3





Table 47 – Reasons why staff are leaving the department

Termination Type	Number	% of total resignations	% of total employment	Total	Total Employment
Death	645	14.9	1.2	4 340	52 777
Resignation	2 554	58.8	4.8	4 340	52 777
Expiry of contract	260	6	0.5	4 340	52 777
Dismissal – operational changes	6	0.1	0	4 340	52 777
Discharged due to ill-health	198	4.6	0.4	4 340	52 777
Dismissal – misconduct	46	1.1	0.1	4 340	52 777
Dismissal – inefficiency	3	0.1	0	4 340	52 777
Retirement	562	12.9	1.1	4 340	52 777
Other	66	1.5	0.1	4 340	52 777
Total	4 340	100	8.2	4 340	52 777
Total number of employees who left as a % of the total employment 8.2%					



Table 48 – Promotions by critical occupation

Occupation:	Employees as at 1 April 2005	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
Dental Practitioners	62	1	1.6	9	14.5
Dental specialists	3	0	0	0	0
Dieticians and nutritionists	55	1	1.8	16	29.1
Emergency services related	4	2	50	0	0
Medical Practitioners	2 113	275	13	217	10.3
Medical Research and related Professional	2	0	0	0	0
Medical Specialists	545	52	9.5	60	11
Medical technicians/Technologists	465	28	6	339	72.9
Nursing Assistants	5 896	95	1.6	2 752	46.7
Occupational therapists	96	2	2.1	36	37.5
Oral hygienists	18	0	0	12	66.7
Pharmacists	366	80	21.9	102	27.9
Physicians	5	0	0	1	20
Physiotherapists	194	17	8.8	79	40.7
Professional Nurses	9 475	1 732	18.3	6 609	69.8
Psychologists and Vocational Counsellors	67	1	1.5	15	22.4
Radiographers	393	33	8.4	192	48.9
Speech Therapists and Audiologists	65	1	1.5	18	27.7
Staff Nurses and Pupil Nurses	8 129	281	3.5	5 317	65.4
Supplementary Diagnostic Radiographers	11	1	9.1	8	72.7
Total	27 964	2 602	9.3	15 782	56.4



Table 49 – Promotions by salary band

Salary Band	Employees 1 April 2005	Promotions to another salary level	Salary bands promotions as % of employees by salary level	Progressions to another notch within a salary level	Notch progressions as % of employees by salary band
Lower skilled (Levels 1-2)	15 208	60	0.4	8 387	55.1
Skilled (Levels 3-5)	17 500	513	2.9	12 605	72
Highly skilled production (Levels 6-8)	16 971	2 465	14.5	11 639	68.6
Highly skilled supervision (Levels 9-12)	2 936	597	20.3	708	24.1
Senior management (Levels 13-16)	162	30	18.5	13	8
Other	0	0	0	1	0
Total	52 777	3 665	6.9	33 353	63.2

Table 50 - Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2006

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	29	0	8	7	24	2	5	7	82
Professionals	2 746	89	1 378	622	11 709	432	2 627	1 057	20 660
Clerks	1 271	33	511	48	2 049	135	462	277	4 786
Service and sales workers	4 154	62	698	56	12 204	346	700	248	18 468
Craft and related trades workers	159	46	92	146	6	1	1	0	451
Plant and machine operators and assemblers	558	15	115	3	87	4	9	0	791
Elementary occupations	3 125	53	374	46	5 745	144	364	121	9 972
Other	8	1	4	0	8	2	4	0	27
Total	12 050	299	3 180	928	31 832	1 066	4 172	1 710	55 237

Employees with disabilities	38	7	23	3	25	1	7	6	110
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Table 51: Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2006

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	8	0	5	8	5	0	0	2	26
Senior Management	27	2	42	42	15	2	17	11	158
Professionally qualified and experienced specialists and mid-management	686	39	744	405	2 695	125	981	547	6 222
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1 726	94	898	284	8 904	320	1 638	710	14 547
Semi-skilled and discretionary decision making	7 628	125	1 285	138	17 486	559	1 355	407	28 983
Unskilled and defined decision making	1 973	39	202	47	2 727	60	178	31	5 257
Not Available	2	0	4	4	0	0	3	2	13
Total	12 050	299	3 180	928	31 832	1 066	4 172	1 710	55 237





Table 52: Recruitment for the period 1 April 2005 to 31 March 2006

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	0	0	0	1	0	0	0	3
Senior Management	4	0	4	5	2	0	1	4	14
Professionally qualified and experienced specialists and mid-management	89	10	122	84	58	6	120	53	542
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	288	8	171	82	856	50	316	208	1 979
Semi-skilled and discretionary decision making	997	8	94	31	1 645	36	168	23	3 002
Unskilled and defined decision making	406	3	55	11	735	17	43	7	1 277
Not Available, Temporary	16	1	27	11	8	0	7	9	79
Total	1 800	30	473	224	3 305	109	655	300	6 896

Employees with disabilities	3	0	4	0	1	0	0	0	8
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Table 53: Promotions for the period 1 April 2005 to 31 March 2006

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	1	1	0	0	0	3
Senior Management	11	0	8	11	1	0	4	5	40
Professionally qualified and experienced specialists and mid-management	228	7	236	121	347	22	236	110	1 307
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1 383	91	756	184	9 161	319	1 507	713	14 114
Semi-skilled and discretionary decision making	2 796	72	876	75	7 837	357	792	326	13 131
Unskilled and defined decision making	3 254	39	219	31	4 598	66	207	37	8 451
Other	0	0	1	0	0	0	0	0	1
Total	7 673	209	2 096	423	21 945	764	2 746	1 191	37 047
Employees with disabilities	22	5	16	4	16	1	3	4	71



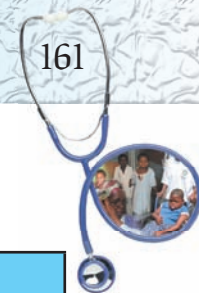


Table 54: Terminations for the period 1 April 2005 to 31 March 2006

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	1	0	1	0	0	0	0	2
Senior Management	4	0	3	2	0	0	2	2	13
Professionally qualified and experienced specialists and mid-management	69	1	91	90	54	3	80	67	455
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	230	9	181	91	951	66	303	207	2 038
Semi-skilled and discretionary decision making	281	8	98	40	566	29	77	76	1 175
Unskilled and defined decision making	290	5	29	17	385	4	33	12	775
Not Available	24	1	33	18	15	0	5	10	106
Total	898	25	435	259	1 971	102	500	374	4 564

Employees with disabilities	1	0	0	0	2	0	0	1	4
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Table 55: Disciplinary action for the period 1 April 2005 to 31 March 2006

DISCIPLINARY ACTION	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Dismissal	0	0	0	0	0	0	0	0	0
Final Written Warning	0	0	0	0	1	0	0	0	1
No Outcome	0	0	0	0	2	0	0	0	2
Suspended without payment	0	0	0	0	1	0	0	0	1
Written Warning	0	0	0	0	2	0	0	0	2
Total	0	0	0	0	6	0	0	0	6



Table 56: Skills development for the period 1 April 2005 to 31 March 2006

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	394	37	124	50	754	17	65	46	1484
Professionals	471	39	185	113	1488	40	222	138	2723
Technicians and associate professionals	731	91	247	38	4063	113	326	136	5644
Clerks	1363	50	186	28	1425	89	203	83	3450
Service and sales workers	463	22	102	11	679	18	92	21	1336
Craft and related trades workers	198	9	30	11	82	1	6	3	376
Plant and machine operators and assemblers	37	3	1	0	28	0	9	0	80
Elementary occupations	654	12	44	7	1137	19	57	12	1941
Total	4355	267	928	258	9727	319	981	574	17346
Employees with disabilities	44	4	9	26	71	22	1	135	312





TABLE 57: Performance Rewards by race, gender, and disability, 1 April 2005 to 31 March 2006

	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per employee
African					
Male	1	12 012	0	2	2 225
Female	1	31 807	0	3	3 394
Asian					
Male	1	3 157	0	17	16 813
Female	0	4 165	0	0	0
Coloured					
Male	0	292	0	0	0
Female	0	1 065	0	0	0
White					
Male	0	925	0	0	0
Female	0	1 704	0	0	0
Employees with a disability	0	110	0	0	0
Total	3	55 237	0	22	7 478

TABLE 58: Performance Rewards by salary bands for personnel below Senior Management Service, 1 April 2005 to 31 March 2006

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)	0	5 235	0	0	0
Skilled (Levels 3-5)	1	28 995	0	2	2 000
Highly skilled production (Levels 6-8)	2	14 582	0	20	10 000
Highly skilled supervision (Levels 9-12)	0	6 226	0	0	0
Other	0	13	0	0	0
Periodical Remuneration	0	670	0	0	0
Abnormal Appointment	0	2 814	0	0	0
Total	3	58 535	0	22	7 333



TABLE 59: Performance Rewards by critical occupations, 1 April 2005 to 31 March 2006

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost	Average cost per employee
Other administrative & related clerks and organisers	0	0	0	0	0
Professional nurse	0	0	0	0	0
Total	0	0	0	0	0

TABLE 60: 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	0	17	0	0	0	0
Band B	0	141	0	0	0	0
Band C	0	27	0	0	0	0
Band D	0	1	0	0	0	0
Total	0	186	0	0	0	0



TABLE 61: Foreign Workers, 1 April 2005 to 31 March 2006, by salary band

Salary Band	1 April 2005		31 March 2006			Change
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1-2)	7	1.9	7	1.9	0	0
Skilled (Levels 3-5)	17	4.6	16	4.2	-1	-10
Highly skilled production (Levels 6-8)	90	24.5	87	23.1	-3	-30
Highly skilled supervision (Levels 9-12)	243	66	252	66.7	9	90
Senior management (Levels 13-16)	10	2.7	14	3.9	4	40
Abnormal Appointment	1	0.3	2	0.5	1	10
Total	368	100	378	100	10	100

TABLE 62: Foreign Worker, 1 April 2005 to 31 March 2006, by major occupation

Major Occupation	1 April 2005		31 March 2006		Change	
	Number	% of total	Number	% of total	Number	% change
Administrative office workers	6	1.6	8	2.1	2	20
Craft and related trades workers	4	1.1	2	0.5	-2	-20
Elementary occupations	1	0.3	1	0.3	0	0
Other occupations	4	1.1	3	0.8	-1	-10
Professionals and managers	346	94	357	94.4	11	110
Social natural technical and medical sciences support	4	1.1	5	1.3	1	10
Technicians and associated professionals	3	0.8	2	0.5	-1	-10
Total	368	100	378	100	10	100



TABLE 63: Sick leave, 1 January 2005 to 31 December 2005

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)
Lower skilled (Levels 1-2)	45 857	85.4	5 596	17.8	8	6 882
Skilled (Levels 3-5)	102 596	83.8	13 179	41.9	8	19 962
Highly skilled production (Levels 6-8)	87 053	82.1	11 247	35.8	8	31 290
Highly skilled supervision (Levels 9-12)	8 567.5	74.2	1 370	4.4	6	5 619
Senior Management (Levels 13-16)	357	81.2	51	0.2	7	633
Other	30	70	6	0	5	3
Not Available	17	0	1	0	17	13
Total	244 477	83.1	31 450	100	8	64 402

TABLE 64: Disability leave (temporary and permanent), 1 January 2005 to 31 December 2005

Salary Band	Total days taken	% days with medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Est. Cost (R'000)
Lower skilled Levels 1-2)	19 131	99.6	646	22.5	30	2 911
Skilled (Levels 3-5)	33 383	99.7	1 231	42.9	27	6 826
Highly skilled production (Levels 6-8)	24 764	99.5	916	32	27	9 046
Highly skilled supervision (Levels 9-12)	2 161	98.3	66	2.3	33	1 592
Senior management (Levels 13-16)	70	100	5	0.1	1818	118
Other	17	100	1	0	17	2
Total	79 526	99.6	2 864	100	28	20 495



TABLE 65: Annual Leave, 1 January 2005 to 31 December 2005

Salary Bands	Total days taken	Average per employee	Employment
Lower skilled (Levels 1-2)	192 447.57	22	8 935
Skilled Levels (levels 3-5)	428 985.01	24	17 810
Highly skilled production (Levels 6-8)	407 630.08	26	15 445
Highly skilled supervision (Levels 9-12)	59 252.16	20	2 989
Senior management (Levels 13-16)	3 248.24	20	160
Other	62	21	3
Not Available	22.08	22	1
Total	1 091 647.14	24	45 343

TABLE 66: Capped leave, 1 January 2005 to 31 December 2005

Salary Bands	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2005
Lower skilled (Levels 1-2)	3 987	5	52
Skilled Levels 3-5)	7 195	6	52
Highly skilled production (Levels 6-8)	10 546	7	73
Highly skilled supervision (Levels 9-12)	1 113	8	76
Senior management (Levels 13-16)	94	10	89
Total	22 935	7	62

TABLE 67: Leave payouts for the period 1 April 2005 to 31 March 2006

REASON	Total Amount (R'000)	Number of Employees	Average payment per employee
Leave payout for 2005/6 due to non-utilisation of leave for the previous cycle	741	148	5 007
Capped leave payouts on termination of service for 2005/6	7 816	2 196	3 559
Current leave payout on termination of service for 2005/6	2 460	700	3 514
Total	11 017	3 044	3 619



TABLE 68: 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 EMRS Personnel	<ul style="list-style-type: none"> · Protocols in place highlighting risk-reducing procedures. · Training and raised awareness regarding protocols and procedures. · Universal precautions to be provided and used. · Proper disposal of sharps, contaminated instruments, all body and post mortem specimens. · Provision of safety equipment i.e. gloves, goggles etc. · Post-exposure prophylaxis is available for those incidents that nonetheless do occur.





TABLE 69: Details of Health Promotion and HIV and AIDS Programmes

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes		Dr Bagwandeem – Manager HR Support
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 and AIDS) Mrs K. Naidoo (EAP) Mr C. Maboso (Occupational Health) Mrs J. Ramogase (Gender Focal Point)
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.		No	This is part of the portfolio of 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.	Yes		The employment practices of the Department do not exclude anyone on a basis of their HIV status. The status of prospective employees is not requested at any stage of the recruitment process.



Question	Yes	No	Details, if yes
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	Yes		The status of the HIV positive employees, if known, is confidential. These employees are also able to access confidential voluntary counseling and testing. In cases where employees become infected with the virus as a result of their work (needle stick injuries) the necessary post exposure prophylaxis is made available to them in a confidential manner.
7. Does the department encourage its employees to undergo Voluntary Counseling and Testing? If so, list the results that you have achieved.	Yes		The results are confidential
8. Has the department developed measures/ indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	Yes		Baseline survey regarding implementation of HIV and AIDS Workplace Based Programme conducted. Burnout survey to assess stress among employees conducted.

TABLE 70: Collective agreements, 1 April 2005 to 31 March 2006

Total collective agreements	None*

* Collective agreements are negotiated at national level.

TABLE 71: Misconduct and disciplinary hearings finalised, 1 April 2005 to 31 March 2006

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	68	33
Verbal warning	27	13
Written warning	16	8
Final written warning	42	20
Suspended without pay	13	6
Fine	0	0
Demotion	2	1
Dismissal	12	6
Not guilty	7	3
Case withdrawn	21	10
Total	208	100



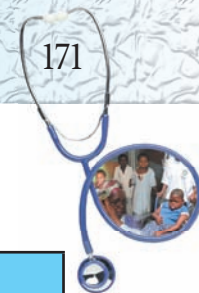


TABLE 72: Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	% of total
Theft	11	14
Fraud	14	13
Absent without leave	24	23
Insubordination	15	14
Alcohol abuse	10	9
Moonlighting	3	3
Vehicle abuse	7	7
Assault	4	4
Negligence	18	17
Total	106	100

TABLE 73: Grievances lodged for the period 1 April 2005 to 31 March 2006

	Number	% of Total
Number of grievances resolved	28	53
Number of grievances not resolved	25	47
Total number of grievances lodged	53	100

TABLE 74: Disputes lodged with Councils for the period 1 April 2005 to 31 March 2006

	Number	% of Total
Number of disputes upheld	12	48
Number of disputes dismissed	13	52
Total number of disputes lodged	25	100

TABLE 75: Strike actions for the period 1 April 2005 to 31 March 2006

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

TABLE 76: Precautionary suspensions for the period 1 April 2005 to 31 March 2006

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



Table 77: Training needs identified 1 April 2005 to 31 March 2006

Occupational Categories	Gender	Number of employees as at 1 April 2005	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Male	226		226		226
	Female	307		307		307
Professionals	Male	1 076	40	1 076		1 116
	Female	1 761	137	1 761		1 898
Technicians and associate professionals	Male	1 008		1 008		1 008
	Female	1 755		1 755		1 755
Clerks	Male	1 132		1 132		1 132
	Female	2 249		2 249		2 249
Service and Sales workers	Male	230		230		230
	Female	349		349		349
Craft and related trades workers	Male	122		122		122
	Female	296		296		296
Plant and machine operators and assemblers	Male	21		21		21
	Female	49		49		49
Elementary occupations	Male	364		364		364
	Female	871		871		871
Sub Total	Male	4 139	40	4 139		4 139
	Female	7 604	137	7 604		7 604
Total		21 419	177	21 419		21 596



Table 78 - Annual Report 2005.06

Occupational Categories	Gender	No. Employees	Training Provided within Reporting Period			
			Learnerships	Skills Programmes	Other	Total
Senior Officials / Managers	Female	62		1019		1081
	Male	44		579		623
Professionals	Female	27534		6487		34021
	Male	4835		1910		6745
Clerks / Admin Staff	Female	4972		2176		7148
	Male	1863		2003		3866
Service & Sales Workers	Female	25702		746		26448
	Male	4970		598		5568
Skilled Agric. & fishery	Female	0		0		0
	Male	0		0		0
Craft & Related Workers	Female	14		130		144
	Male	443		246		689
Elementary Occ/ Labourers	Female	12119		1219		13338
	Male	3598		724		4322
Plant & Machine Operators/Assemblers	Female	187		41		228
	Male	691		40		731
Sub Total	Female	128847		11818		140665
	Male	16457		6100		22557
Total		145304	0	17918	0	104952

TABLE 79: Injury on duty, 1 April 2005 to 31 March 2006

Nature of injury on duty	Number	% of total
Required basic medical attention only	1189	73.26
Temporary Total Disablement	432	26.62
Permanent Disablement	2	0.12
Fatal	0	0
Total	1623	100



Table 80: Report on consultant appointments using appropriated funds

Project Title	Total number of consultants that worked on the project	Duration: work days	Contract value in Rand
Balanced Scorecard	1	April 2005 – March 2006	R479 491.09
Technical assistance, costing and financial management of Special Projects.	2	April 2005 – March 2006	R352 660.49
Assistance with the implementation of the Departmental transformation strategy and strategic support and Advisory Services to the MEC.	1	April 2005 – March 2006	R4 225 932.19
Tender Awards and Appeals Committee	1	April 2005 – March 2006	R72 752.42
Competency Assessments and other Human Resource matters	1	April 2005 – March 2006	R1 190 644.79

Table 81: Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs)

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
-	-	-	-

Table 82: Report on consultant appointments using Donor funds

Project Title	Total number of consultants that worked on the project	Duration: work days	Contract value in Rand
-	-	-	-
Total number of projects	Total individual consultants	Duration: Work days	Total contract in Rand
-	-	-	-



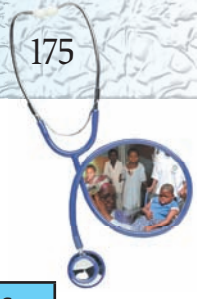


Table 83: Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs)

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Nil	-	-	-



Part D



Report of the Audit Committee & Annual Financial Statements



REPORT OF THE AUDIT COMMITTEE ON VOTE 7 - HEALTH

We are pleased to present our report for the financial year ended 31 March 2006.

Audit Committee Members and Attendance:

The Audit Committee consists of the members listed hereunder and met 6 times as per its approved terms of reference.

Name of Member	Number of Meetings Attended
R Morar (Chairman)	5
BP Campbell	6
BS Khuzwayo (Adv)	6
ADK Leisegang	6
DSD Shabalala	1
RW Green-Thompson (Prof)	1

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1)(a) (ii) of the Public Finance Management Act 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, except as stated below:

The Effectiveness of Internal Control

Our review revealed that the department has implemented systems of internal control for certain areas of its operations. Weaknesses in such systems of internal control that were identified by the Internal Audit have been raised with the Department of Provincial Treasury.

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

We cannot 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.

We have:

- Not reviewed the audited annual financial statements to be included in the annual report;
- Not taken into consideration the Auditor-General's management letter and management response; as these documents were not made available to the Committee;
- Not reviewed changes in accounting policies and practices.

We accept the conclusions of the Auditor-General on the annual financial statements and are of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.

Morar

.....
Chairman: On behalf of the Audit Committee

Date: 15 August 2006



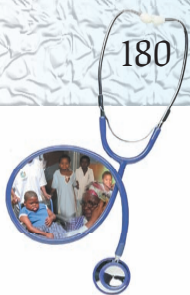
AUDITOR - GENERAL

Annual Financial Statements



Department of Health

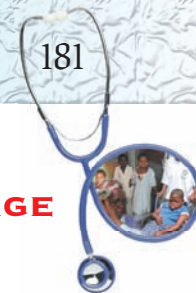




**ANNUAL FINANCIAL STATEMENTS FOR
KWAZULU-NATAL DEPARTMENT OF HEALTH VOTE 7
FOR THE YEAR ENDED 31 MARCH 2006**

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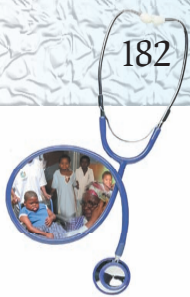


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REPORT OF THE ACCOUNTING OFFICER FOR THE YEAR ENDED 31 MARCH 2006

1 GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS

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

Legislation

The National Health Act, 2003 (Act 61 of 2003) has been signed by the President and came into effect on 2 May 2005, excluding chapters 6 and 8 and certain sections of other chapters as stipulated in Proclamation R.19 of 18 April 2005, gazette number 27503. The National Health Act has important implications for the Province as new provincial health structures are created. The Act also requires the provincial Minister to establish a provincial consultative body whose main function will be to promote and facilitate interaction, communication and the sharing of information on provincial health issues. It is also incumbent on the provincial Minister to establish a District Health Council for each health district within the province. These Councils can however only be established after the provincial Minister for Local Government and the respective municipal councils of either the metropolitan or district municipalities have been consulted.

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

As a result of the provisions of the Mental Health Act of 2002, which became operational on 15 December 2004, the Department is in the process of amending the procedure for the admission of mentally ill patients. The Department has developed a policy regarding the establishment of Mental Health Review Boards and some of the Boards have been established in certain of the Districts.

In order to ensure legal compliance with the Pharmacy and Medicines legislation, an audit of all the facilities of the Department has been completed. Plans for repairs and upgrade to certain of the facilities are being finalised. The rest of the challenges identified include training and licensing of identified dispensers, additional human resource requirements, training and registration of Pharmacist Assistants as well as a re-engineering of the drug supply chain, all of which will require additional funding.

Policy

The imperatives of the National Department of Health that provide the overarching framework for the provincial Department of Health are the Millennium Development Goals and the National Department of Health's Five-year Priorities (2004 – 2009). The Department has incorporated these into its strategic objectives and priorities to ensure that its programmes are aligned to National priorities and objectives.

The provincialisation of the TB hospitals previously managed by either the South African National Tuberculosis Association and/or by local authorities has commenced. The Department is in negotiations to finalise the transfer of the hospitals, which are expected to be finalised during the forthcoming financial year.



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

The Department strengthened the implementation of the comprehensive programme for the care, management and treatment of people living with HIV and AIDS (and the anti-retroviral therapy programme in particular) through conditional grant funding from National Government and also through the Global Fund. The amounts received from these funds significantly increased the allocation for combating the AIDS epidemic. The Province also enhanced programmes for the Prevention from Mother to Child Transmission regimen across the province in May 2004 and the Voluntary Counselling and Testing Sites were increased. The Department has seen a significant increase in the roll out of ARVs, resulting in increased spending in District Health Services. Although the programmes have been successful, there are still areas of the province that need to be reached.

The Department's initiatives towards the strengthening of the District Health System were evident in the pattern of expenditure under Programme 2, which is in line with the plans for the development of infrastructure and services to enhance the system. The majority of expenditure was in the acquisition of goods and services, together with capital assets.

The Department focused on the expansion of the present and the provision of additional clinics and community health centres to ensure improved access to health services to the poor and underserved areas. Coupled with this is the continuing roll out of emergency medical and rescue services to the underserved and poverty stricken areas, including planned patient transport to support the referral system and outreach programmes aimed at taking specialised medical services to underserved and rural communities.

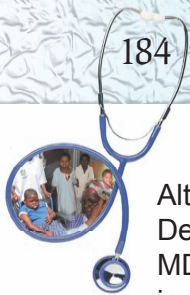
The Department continued with initiatives to address the increase in tuberculosis cases within the province, especially multi-drug resistance TB. A TB management plan that identifies the areas highly affected by the disease within the Province has been developed. A National plan has also been developed by National Government which focuses on the eThekweni Metro area. These plans will be implemented during the forthcoming financial year and adequate funding has been provided from the 2006/07 budget.

The process for the development of Tertiary services at Greys and Inkosi Albert Luthuli Hospitals is progressing well. The programme for the provision of infrastructure and facilities to facilitate the process continued during the year under review, resulting in a significant increase in spending on Central Health Services.

Certain of the initiatives embarked upon by the Department to enhance service delivery included the following:

- the strengthening of management structures at PHC facilities;
- ensuring adequate and timeous availability of medicines for patients with chronic conditions through improvements to processes and systems at the Provincial Medical Stores;
- improving the flow of patients in facilities;
- enhancing the infrastructure for the provision of anti-retroviral therapy for patients with HIV;
- consolidating the achievements through the appointment of managers and health professionals to fill vacancies;
- the uninterrupted supply of medicines;
- improving the information technology infrastructure at the major community health centres;
- monitoring of Quality of Care at provincial health facilities, by means of the complaints and compliments mechanism; and
- the undertaking of customer satisfaction surveys funded through the Hospital Management and Quality Improvement Grant funding.





Although significant strides have been made in tackling some of the challenges faced by the Department, more needs to be done within the allocated funding envelope. The emerging crisis in MDR TB, the burden of disease, the level of poverty and joblessness within the Province and the increasing incidence of HIV and AIDS continues to pose a real challenge for the Department. The Department has developed plans for implementation during the 2006/07 financial year to continue with its efforts to tackle the challenges.

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

The refurbishment of Northdale, Thulasizwe and Clairwood and Wentworth Hospital mortuaries has been completed. The Vryheid Hospital Mortuary project has gone out to Tender.

The Department has secured a 2 year period contract for the provision of “parkhome” type accommodation. This has greatly facilitated the provision of particularly ARV rollout facilities and residential accommodation and will be extended to include other facilities as required.

Insofar as residential accommodation is concerned it has allowed us to exceed our 4th quarter target of 40 new homes to underserved institutions. The number completed for the 2005/2006 year was 84 residential units whilst 82 are planned for the 2006/2007 financial year.

The following clinics and CHC's were built and opened in 2005 –2006 financial year.

NAME	TYPE	LOCATION
A.E.Haviland	Replacement clinic	Uthekela District
Otimati	Replacement clinic	Ilembe
CJM Nqutu	New clinic	Umzinyathi
Kwandaba	Replacement clinic	Umkhanyakude
KwaMteyi	Additions to clinic	Uthukela

- **Spending patterns and Trends**

PROGRAMME	FINAL ALLOCATION R'000	ACTUAL EXPENDITURE R'000	UNDER/(OVER) EXPENDITURE R'000
1 Administration	192,917	192,917	-
2 District Health Services	4,736,757	4,924,947	(188,190)
3 Emergency Medical Services	420,604	420,604	-
4 Provincial Hospital Services	2,808,367	2,796,081	12,286
5 Central Health Services	1,024,735	1,068,606	(43,871)
6 Health Sciences and Training	411,589	408,227	3,362
7 Health Care Support Services	7,600	7,600	-
8 Health Facilities Management	821,947	736,770	85,177
TOTAL	10,424,516	10,555,752	(131,236)

The Department has spent an amount of R10,555,752 against a budget of R10,424,516 which constitutes an over-expenditure of R131,236 million.



Being a Department which provides services to the community, total expenditure on compensation to employees comprises 56% of total expenditure for the year. Goods and Services is mainly municipal services, medical and surgical requisites, blood, pharmaceuticals and agency staff, which includes the use of nurses who are on contract to supplement nursing staff shortages. Transfer payments and Subsidies are made to municipalities and other institutions, particularly for Primary Health Care.

EXPLANATIONS OF MATERIAL VARIANCES FROM AMOUNTS VOTED (AFTER VIREMENT)

PROGRAMME 1: ADMINISTRATION

Expenditure on this programme relates to the Head Office functions and strict control over the spending was maintained. After effecting the approved virements no variance was reflected on the above programme.

PROGRAMME 2: DISTRICT HEALTH SERVICES

The over-expenditure on this programme after the approved virements have been effected is R188,190m which is 3.97% of the main division allocation. The net over-expenditure relates primarily to the increased demand for District Hospital Services and the funding pressures related to the implementation of measures to tackle HIV and AIDS.

PROGRAMME 3: EMERGENCY MEDICAL SERVICES

After effecting the approved virements, no variance was reflected on the above programme, despite accelerated spending on the acquisition of vehicles to enhance access by communities from underserved areas to health care.

PROGRAMME 4: PROVINCIAL HOSPITAL SERVICES

The under-expenditure in this programme after the approval of virement is R12,286m, which relates to the unspent Health Professional Training and Development Grant, for which a roll-over has been requested.

PROGRAMME 5: CENTRAL HOSPITAL SERVICES

The over-expenditure in this programme, after approval of virements is R43,871m, which is 4.28% of the main division of the vote, which relates mainly to the development of Tertiary Services within the Province.

PROGRAMME 6: HEALTH SCIENCE AND TRAINING

The under-expenditure in this programme, after approval of virements is R3,362m, which is 0,82% of the main division of the vote. This under-expenditure relates to the provision made for the payment of the skills levy to the Health and Welfare SETA, which was paid after 31 March 2006.

PROGRAMME 7: HEALTH CARE SUPPORT SERVICES

Expenditure on this programme is as approved for this main division.





PROGRAMME 8: HEALTH FACILITIES MANAGEMENT

The under-expenditure in this programme, after approval of virements is R85,177m, which is 10,36% of the main division of the vote. This under-expenditure is due to delays in the implementation of a building project funded through Revitalisation grant resulting from an appeal against a contract for this major capital project. This appeal has now been resolved and a rollover has been requested.

Impact on Programmes and Service Delivery

After virements had been applied over-expenditure has been recorded in Programme 2: District Health Services and Programme 5: Central Health Services. The over-expenditure can mainly be attributed to the pressure on Primary Health Care Services as a result of the need for increased funding to ensure access to services. Expenditure on Aids Relief has also been significantly higher as a result of the Department's attempts to address this epidemic.

Unauthorised expenditure

The Public Finance Management Act defines unauthorised expenditure as:

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

Therefore in compliance with the PFMA the Department has calculated the unauthorised expenditure for the year to be R232,061 million, which is the net overspending on programme 2 and 5. The reasons thereof are reflected above.

Revenue Collected

Less than expected revenue was collected during the year under review, mainly as a result of adjustments to tariffs approved by National Government to cater for the indigent and the vulnerable groups. Challenges experienced during the year included:

- the lack of IT system to accommodate the laboratory, pharmacy and nuclear meds billing, resulting in a major loss of revenue to the state;
- rejection by Medical aids of claims for not containing complete ICD10 codes, despite legislation requiring that the correct coding be utilised from 01/07/2006;
- erratic Department of Justice payments; and
- charges to Road Accident Fund patients according to the means test and not as PHP patients until 06/03/2006, resulting in a loss of revenue.

Appointment of Senior Managers

During the year under review, the following Senior Managers were appointed to strengthen Health Services Planning, Service Delivery, Financial Management and Administration:

- Dr BM Nyembezi - Head of Department (3rd January 2006)
- Mr DN Nkosi - Chief Operating Officer (3rd January 2006)
- Ms ZT Ndlovu - General Manager: Accounting Technical Support Services (16th January 2006)
- Mr LA Mbangwa - General Manager: Communications (1st February 2006)
- Mr ASS Buthelezi - Chief Financial Officer (10th February 2006)





- Mr M Ngcobo - Chief Information Officer (1st March 2006)
- Mrs M Badenhorst - General Manager:Service Delivery Planning, Monitoring and Evaluation (1st April 2006)
- Mr VRM Ntshangase - General Manager : Budget and Supply Chain Management (1st May 2006)
- Mrs P Padayachee - General Manager : Corporate Governance, Inter-Governmental Relations and Inter -Sectoral Collaboration (1st May 2006)

2. PERFORMANCE INFORMATION

The department formulated performance targets to measure the outputs of the various programmes representing its functions. These targets were reflected in the 2005/06 Budget Statement. The details of actual performance and targets against the indicators are contained in the service delivery sections of the annual report. Estimated actual outputs for the year compared to the budget targets as per the Budget Statement are reflected below:

SUB-PROGRAMME	PERFORMANCE MEASURES	ADJUSTMENTS ESTIMATES TARGET 05/06	PROJECTED ACTUAL 05/06	VARIANCE
Community Health Clinics	Number of head counts	19,000,000	16,805,686	(2,194,314)
Community Health Centres	Number of head counts	2,589,921	2,269,585	(320,336)
HIV and AIDS				
(a) Voluntary testing and Counselling	Number of sites available	703	703	-
(b) Distribution of condoms	Number of condoms/fermid-omes distributed	23,012,745	20,749,171	(2,263,574)
(c) Prevention of Mother to Child Transmission	% of all pregnant women using state services	90	90	-
	% of state facilities which offer PMTCT services	100	100	-
(d) Antiretroviral Therapy	No. of patients treated	29,000	26,316	(2,684)
District Hospitals	Number of Admissions (new)	326,425	341,650	15,225
	Number of outpatient head-counts (previously in admissions)	1,848,872	1,478,697	(370,175)
Emergency Services	Number of cases using emergency medical services	642,000	633,311	(8,689)
Planned Patient Transport	Number of patients transported	325,058	273,355	(51,703)
General Hospitals	Number of Admissions (new)	346,156	342,856	(3,300)
	Number of outpatient head-counts (previously in admissions)	3,086,997	2,273,317	(813,680)
Tuberculosis Hospitals	Number of Admissions	8,000	4,848	(3,152)

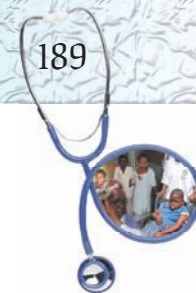


SUB-PROGRAMME	PERFORMANCE MEASURES	ADJUSTMENTS ESTIMATES TARGET 05/06	PROJECTED ACTUAL 05/06	VARIANCE
Psychiatric Hospitals	Number of Admissions	6,000	2,282	(3,718)
Chronic Medical Hospitals	Number of patient days	771,400	190,866	(580,534)
Dental Training Hospital	Number of cases	43,800	41,977	(1,823)
	Number of students trained	86	86	-
Central Hospital Services	Number of Admissions	82,100	34,904	(47,196)
	Number of outpatient head-counts	555,168	327,068	(228,100)
Nurse Training Colleges	Number of nurses in training per annum	4,972	5,319	347
Bursaries	Number of students funded per annum	970	745	(225)
Other Training	Number of community health workers trained	2,410	2,411	1
	Number of persons trained in computer literacy	8,000	7,002	(998)
	Number of interns	300	348	48
	Number of persons in skills development programme	3,163	10,916	7,753
Ambulance personnel in training	Number of persons in training	386	342	(44)
Health Facilities Management	New facilities -number of projects in progress	166	248	82
	Rehabilitation – number of projects in progress	18	80	62
	Replacement – number of projects in progress	15	26	11
	Upgrading – number of projects in progress	96	274	178

The statistics overall reflect that actual performance was behind the targets as per the adjusted budget. This can be attributed to among others:

- incomplete capturing of statistics due to shortage of capacity;
- optimistic outlook during the adjustment budget, at which stage a number of indicators were increased substantially; and
- insufficient systems and processes for the validation, capturing and evaluation.





3. SERVICES RENDERED BY THE DEPARTMENT

3.1 Tariff Policy

The main source of revenue for the Department, over and above its voted amount, is patient fees, which is based on the Uniform Patient Fee Schedule as prescribed by National Department of Health. This fee structure was updated during the year to conform to adjustments at National level. Joint committees comprising the National and Provincial Departments of Health complete these adjustments.

3.2. Free Services

Free services are provided in accordance with National policies to certain categories of patients, viz. pregnant women, children under six, certain communicable diseases, the aged, the poor and persons with disabilities. There are no other free services rendered by the Department.

3.3. Inventories

The total inventory on hand as at 31 March 2006 is R1,321 billion. This amount consists of consumables of R261 million, pharmaceuticals of R120 million and equipment of R940 million.

4. CAPACITY CONSTRAINTS

The human resource requirements of the Department are inadequate to meet the demand for the services, particularly that of the professional health workers.

As a consequence of this, although the Department has dedicated and loyal staff to provide health services, it has found that many areas of its services are inadequately staffed. In some cases despite repeated recruitment, it is unable to attract skilled and suitable personnel because of the shortage in the Province and in the country. The contributing factors are:

- Poor remuneration in the public service for certain categories of professional health workers;
- The losses in nursing and other professional staff to other countries and early deaths;
- Inadequate training of sufficient numbers of health professionals by tertiary educational institutions;
- The lack of acceptable incentives for the recruitment of professional and managerial staff particularly in remote areas; and
- The recruitment of skilled financial management staff, especially in rural hospitals.

This state of affairs has improved for certain groups of professional health workers in the financial year as a result of the scarce skills and rural allowances implemented in February 2004. Certain adverse events have limited the success of the allowance.

In regard to the nursing staff the Department has continued with its policy to double the student nurse intake. To ensure a supply of additional doctors and other scarce skills, bursaries are granted. Special training programmes are being implemented to enhance managerial and financial capacity. In certain areas the lack of capacity may have a serious impact on service delivery and financial management.





5. UTILISATION OF DONOR FUNDS

During the financial year under review an amount of R13,577 million in respect of local and foreign donor funds was received by the Department. In addition, an amount of R10,872 million was brought forward from the previous financial year, giving a total of R24,449 million. Of this R21,262 million was spent leaving a balance of R3,187 million, which will be carried forward into the 2006/07 financial year.

A number of small donations were received during the financial year, as well as two donations in excess of R1 million each. The European Union Partnership Programme showed a significant improvement in its performance over the previous year, spending some R15 million towards the development of its Primary Health Care Programme. In addition, Bristol Myers Squibb, provided and the Department spent in excess of R3 million on the uThukela HIV and AIDS project.

The Geneva Global Fund for HIV, AIDS, TB and Malaria, which was initiated in the 2003//04 financial year, received an additional R51 million this financial year, providing total funding of R76,973 million for 2005/06, of which R71,595 million was spent in accordance with the objectives of the fund. A separate set of books as well as a separate bank account is maintained under the management of a dedicated project manager. These funds are managed independently from the funding allocated to the Department of Health.

Donor funds are normally once-off donations for fixed periods and can therefore not be used for any major enhancement of service delivery.

6. 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 4% to 12% to cover the administrative costs. A surplus of R 10,473 will be surrendered to Treasury in the 2005/06 financial year.

7. TRANSFER PAYMENTS

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
- Service organisations and churches providing clinic services
- Local Municipalities for primary health care services
- Service organisations for HIV and AIDS campaigns
- Private entities for health services rendered in terms of a contract

With the implementation of SCOA, bursaries, leave gratuity payments, the skills levy and the district council levy are now classified as transfers and subsidies.

Refer to annexure 1 B, 1 C, 1 D, 1 E and 1 F for detailed schedules of transfer payments made during the year. Accountability arrangements are being instituted over each entity, to ensure that funds are utilised for the purposes stipulated. Transfer payments are made based on the submission of claims by the various entities.



8. PUBLIC PRIVATE PARTNERSHIPS

There was a variation to the public private partnership agreement between the Department of Health, Cowslip Investments (Pty) Ltd and Impilo Consortium for the Inkosi Albert Luthuli Central Hospital. The variation catered for the consolidation of a number of amendments made since the commencement date. Refer to the notes for the financial obligations for the remainder of the contract.

9. CORPORATE GOVERNANCE ARRANGEMENTS

9.1 Risk Management

The Department, in its pursuance of ensuring an effective control environment, has developed risk management checklists/toolkits in terms of the Public Finance Management Act, the Treasury Regulations and the Departments policies, prescripts and procedures. These checklists/toolkits document the various risk areas that prevail and prioritises these within each focus area that has the highest potential to impact (positively or negatively) on the achievement of the Department's strategic objectives. In this regard, the Department's Audit and Risk Management Component has undertaken various risk management workshops as well as risk assessments of the various disciplines within institutions in the Department, to assist managers to identify, evaluate and mitigate existing and potential risks.

Further to this, the Department, in partnership with the Internal Audit Unit of the Provincial Treasury has conducted a Control Self Assessment (CSA) workshop in the Department to review key business objectives, the risks impacting on the achievement of these objectives and the internal controls that will need to be designed to manage these risks.

9.2 Fraud Prevention Plan

The Department has embarked on various risk management initiatives as part of its strategy to combat fraud and corruption. In this regard, numerous workshops were conducted which targeted officials falling within the management cadre/echelon. The campaign included inter alia workshops on Fraud Prevention, which included the rollout of the Department's Fraud Prevention Plan and its strategy in reducing the incidence of fraud and corruption as well as presentations on Corporate Governance, which incorporated a module on the relevant sections of the Public Finance Management Act.

9.3 Effectiveness of Internal Audit and Audit Committees

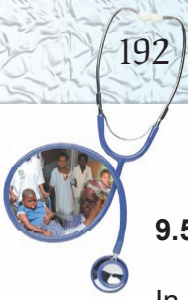
The Internal Audit function as well as the Audit Committee is centralised in the KwaZulu-Natal Provincial Treasury. In this regard, the Department has utilised the services of the Internal Audit Unit to undertake various audits and forensic investigations in the Department. These shared services are co-ordinated and utilised by the Departments Audit and Risk Management Component.

Further, the Component in ensuring a sound control environment has undertaken and finalised review audits at the institutions that were subjected to an audit by the Internal Audit Unit, to ensure that the recommendations as proposed by the Unit have been implemented as well as to verify whether the actions taken/implemented, sufficiently address the identified risks/anomalies/audit queries.

9.4 Code of Conduct

The Labour Relations Directorate has conducted workshops at the institutions to roll out the Code of Conduct as issued by the Public Service Commission. Disciplinary procedures are followed if there is non-compliance to the Code of Conduct.





9.5 Occupational Health and Safety

In accordance with the Occupational Health and Safety Act no. 85 of 1993 committees have been established at the institutions and regular meetings are conducted to ensure compliance with the Act. Responsible Officers have been appointed at all institutions and Head Office.

10. PROGRESS WITH FINANCIAL MANAGEMENT IMPROVEMENTS

The Department, in its financial management programme has continued 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 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 rolled out Supply Chain Management and reviewed Supply Chain Management delegations to be in line with Provincial Supply Chain policy.

In October 2005, the Department developed and rolled out a manual asset register that meets the minimum provincial treasury practice note.

SCOA Training will be conducted by National Treasury in 2006/07 to ensure that all BAS transactions are correctly classified.

11. STANDING COMMITTEE ON PUBLIC ACCOUNTS

On 7 October 2005, the Department attended the Provincial Public Accounts Standing Committee hearing in respect of the report of the Auditor-General on the financial statements of the Department for the 2004/2005 financial year. In this regard, all matters raised in terms of the report were responded to by the Department.

No resolutions were passed by the committee regarding any further action to be undertaken by the Department in respect of the responses provided at the hearing.





APPROVAL

The annual financial statements set out on pages 185 to 274 are hereby approved by the Chief Financial Officer of the Department of Health: KwaZulu-Natal.

A handwritten signature in black ink, appearing to be 'A.S.S. Buthelezi', is written above a horizontal line.

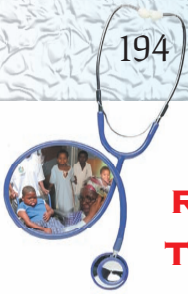
Mr. A.S.S. Buthelezi
Chief Financial Officer: KwaZulu-Natal Department of Health
31 July 2006

The annual financial statements set out on pages 185 to 274 are hereby approved by the Accounting Officer of the Department of Health: KwaZulu-Natal.

A handwritten signature in black ink, appearing to be 'B.M. Nyembezi', is written above a horizontal line.

Dr. B.M. Nyembezi
Accounting Officer: Department of Health
31 July 2006





REPORT OF THE AUDITOR-GENERAL TO THE KWAZULU-NATAL PROVINCIAL LEGISLATURE ON THE FINANCIAL STATEMENTS OF VOTE 7 - KWAZULU-NATAL DEPARTMENT OF HEALTH FOR THE YEAR ENDED 31 MARCH 2006

1. AUDIT ASSIGNMENT

The financial statements as set out on page 185 for the year ended 31 March 2006, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 4 and 20 of the Public Audit Act, 2004 (Act No. 25 of 2004). The fixed asset opening balances have not been audited because of the timing of guidance from National Treasury to the departments relating to the treatment, valuation and disclosure of fixed assets. These financial statements are the responsibility of the Accounting Officer. My responsibility is to express an opinion on these financial statements, based on the audit.

2. SCOPE

The audit was conducted in accordance with the International Standards on Auditing read with General Notice 544 of 2006, issued in Government Gazette no. 28723 of 10 April 2006 and General Notice 808 of 2006, issued in Government Gazette no. 28954 of 23 June 2006. 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
- evaluating the overall financial statement presentation.

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

3. BASIS OF ACCOUNTING

The KwaZulu-Natal Department of Health's policy is to prepare financial statements on the modified cash basis of accounting determined by the National Treasury, as described in accounting policy 1.1 to the financial statements.

4. AUDIT OPINION

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Health at 31 March 2006 and the results of its operations and its cash flows for the year then ended, in accordance with the modified cash basis of accounting determined by National Treasury as described in accounting policy 1.1 of the financial statements and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999).





5. EMPHASIS OF MATTER

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

5.1 Completeness and existence of assets

Section 38(1)(d) of the Public Finance Management Act, 1999 (Act No. 1 of 1999)(PFMA), Treasury Regulation 10(1), as well as Practice Note 006 prescribes that controls need to be implemented for the maintenance and safeguarding of assets. Furthermore, guidance issued by the National Treasury for provincial departments with regard to capital assets for the 2005-06 financial year, required that assets disclosed in the financial statements should agree to the asset register. Audit procedures carried out for the year under review revealed the following discrepancies:

- (a) The asset register has not been properly maintained, for example, asset type, purchase details, and physical condition of assets were not recorded.
- (b) Access to assets was not restricted to unauthorised persons.
- (c) Values of new assets were not recorded.

5.2 Public Private Partnership assets

Attention is drawn to the additional disclosure in note 8 of the department's financial statements providing the reasons for capitalising the deferred share payments totalling R167 million to the Impilo Consortium (Proprietary) Limited, (Impilo). These payments had been accounted for as capital asset purchases in accordance with paragraph 36 of the standardised Public Private Partnership (PPP) provisions issued by National Treasury. The assets acquired, which were funded through the deferred share payment, had also been accounted for as own assets in the financial statements of Impilo. This accounting treatment is consistent with the prior year.

5.3 Central Procurement Stores interface adjustments

Notwithstanding, the fact that this matter was included in my previous report, discrepancies still occurred between the General Stores System (GSS) and the Basic Accounting System (BAS), because adjustments to receivables totalling R40 million, as disclosed in note 12.2 of the financial statements were not supported. Furthermore, the lack of effective independent reconciliations and management reviews, impacted on my ability to verify the validity, completeness and accuracy of these adjustments.

5.4 Completeness of departmental revenue

The audit of revenue revealed deficiencies arising from the fact that the receipting and billing system implemented was not effective for the maintenance of revenue and debtor accounts. Segregation of functions, general ledger reconciliations, correct cut-off procedures, reviews of cash-books as well as complete and accurate debtors listings in some cases were found to be lacking. A comparison of the debtors aging analysis to the list of outstanding debtors for certain hospitals, revealed a difference of R2 million, due to debt write-offs not being correctly processed.





5.5 Conditional grants

5.5.1 The Hospital Management and Quality Improvement Grant

The Hospital Management and Quality Improvement (HMQI) grant conditions were not adhered to, in that:

- (a) Instances were noted whereby the HMQI grant business plan had not been aligned with the measurable objectives outlined in the DORA framework. These instances related to seven non-aligned budget outlays.
- (b) The total expenditure for the HMQI grant amounted to R19,5 million, of which R11,7 million (60%) should have been used for revitalisation purposes, in accordance with condition 4 of the DORA framework. However, there was no evidence of monitoring of the usage of the grant for revitalisation purposes.

5.5.2 HIV/AIDS grant

The home base care listing revealed 670 714 site visits as being undertaken compared to a total number of 4,1 million visits that should have been undertaken, as stated in the 2005-06 HIV/AIDS business plan.

5.5.3 Roll-over of unspent funds

Attention is drawn to note 13 of the financial statements, which discloses the request for roll-over of the full unspent funds of four conditional grants amounting to R151 million. This is in contravention of Treasury Regulation 6.4.1, which stipulates that:

- (a) Unspent funds on payments for capital assets may only be rolled over to finalise projects or asset acquisitions still in progress.
- (b) Savings on transfers and subsidies may not be rolled-over for purposes other than originally voted for.
- (c) Compensation for employees may not be rolled-over.
- (d) A maximum of 5% of the department's payments for goods and services may be rolled-over.

Consequently, the accuracy of the amounts rolled-over could not be verified.

5.6 Transfer payments

Section 38(1)(j) of the PFMA requires that, 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. Notwithstanding these requirements, transfer payments to benefiting municipalities were not always monitored as required by treasury regulation 8.4.1. The absence of service level agreements as well as inadequate control measures contributed to weaknesses in the control environment. Consequently, I was unable to conclude as to whether transfers of R85,1 million to benefiting municipalities, as disclosed in note 7 of the financial statements were utilised for the purposes intended.





5.7 Human resources management

A review of the departmental human resources strategic plan revealed the following concerns:

- (a) The plan was not yet finalised and implemented.
- (b) At 31 March 2006, 27 084 vacancies existed in the department.
- (c) The vacancy rate per programme at year-end totalled 32,9%, which is well above the norm of 5%.
- (d) The average duration for filling of vacancies was 15 months, being above the norm of five months.

5.8 Motor vehicle fleet management

The absence of adequate reconciliations, checks and management reviews resulted in a misstatement of R3,1 million for motor vehicle maintenance costs at 31 March 2006 not being identified and rectified. This misstatement represents the difference between the R37,2 million per the First Auto confirmations and the R40,3 million recorded in the financial statements.

5.9 Consumable stores

The audit of consumable stores at selected hospitals revealed instances of non-compliance with the requirements of Practice Note 050, which were undetected due to the absence of sufficient independent reconciliations and reviews by senior officials.

- (a) Tally cards for consumables had not been updated to record movement of items, hence it was not possible, in certain instances, to verify the completeness and accuracy of the balances;
- (b) Redundant consumables totalling R4,4 million had not been accounted for as required by the above practice note; and
- (c) Access to consumables was not restricted to unauthorised persons in a number of instances.

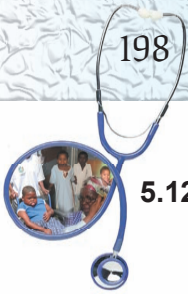
5.10 PLANKMED system

The audit of certain hospitals revealed that the PLANKMED system was not updated timeously for the receipt and issuing of pharmaceuticals, notwithstanding, the fact that this deficiency was also included in my previous report. This was evidenced by the fact that this system did not, in various instances, reconcile to the stock counts that have been performed during the audit of the available records.

5.11 Environmental management

As reported in my previous report, audits at certain hospitals, still revealed serious health risks regarding the handling, storage and disposal of medical waste. Medical waste was not always placed in the prescribed containers, and unauthorised access thereto was not always restricted. Furthermore, instances were noted whereby medical and municipal waste were being mixed. This is in contravention of section 24 of the Constitution of South Africa, 1996, and sections 8 and 9 of the Occupational Health and Safety Act, 1993 (Act No. 85 of 1993). In addition, to the health hazard posed, the department could be held liable for claims against it.





5.12 Audit of performance information

An audit of performance information revealed the following non-compliance with legislative and other provisions:

- (a) Performance information submitted for audit purposes were incomplete and the final documents were received only on 26 July 2006. This is technically non-compliance in terms of chapter 5.1.2 of National Treasury's Guide for the preparation of annual reports for the 2005-06 financial year, which required the submission of all performance information to the Auditor-General by 15 June 2006.
- (b) The strategic planning document did not include measurable objectives, expected outcomes, programme outputs, indicators and targets for programme 6, "Health Sciences and Training", as prescribed by treasury regulation 5.2.2(d).
- (c) The resources for core functions and mandates had not been aligned from the strategic plan to the budget, in many instances, as required by section 2 of the National Treasury guideline of 2006.

5.13 Computer audit – Inkosi Albert Luthuli Central Hospital

The following significant control weaknesses arising from a computer audit follow-up at the Inkosi Albert Luthuli Central Hospital were noted:

- (a) Inadequate segregation of duties existed due to users being allocated administrator rights and privileges.
- (b) User and administrator accounts had not had their passwords changed as stipulated by the approved security policy.
- (c) No evidence could be found that program changes had been tested by the programmers.
- (d) Audit and security logs were not reviewed and followed up with the result that unauthorised access to data would not be detected.

6. APPRECIATION

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

H van Zyl for Auditor-General

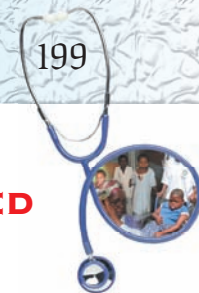
Pietermaritzburg

31 July 2006



AUDITOR - GENERAL





STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2006

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 1 of 2005.

1. Presentation of the Financial Statements

1.1 Basis of preparation

The Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid or when the final authorisation for payment is effected on the system by no later than 31 March of each year.

1.2 Presentation currency

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

1.3 Rounding

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

1.4 Comparative figures

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

A comparison between actual and budgeted amounts per major classification of expenditure is included in the appropriation statement.

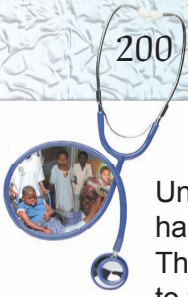
2. Revenue

2.1 Appropriated funds

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

Total appropriated funds are presented in the statement of financial performance.





Unexpended appropriated funds are surrendered to the Provincial Revenue Fund, unless approval has been given by the Provincial Treasury to rollover the funds to the subsequent financial year. These rollover funds form part of retained funds in the annual financial statements. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position.

2.2 Departmental revenue

All departmental revenue is paid into the Provincial Revenue Fund when received, unless otherwise stated. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position.

2.2.1 Sale of goods and services other than capital assets

The proceeds received from the sale of goods and/or the provision of services are recognised in the statement of financial performance when the cash is received.

2.2.2 Fines, penalties and forfeits

Fines, penalties and forfeits are compulsory unrequited amounts which were imposed by a court or quasi-judicial body and collected by the department. Revenue arising from fines, penalties and forfeits is recognised in the statement of financial performance when the cash is received.

2.2.3 Interest, dividends and rent on land

Interest, dividends and rent on land are recognised in the statement of financial performance when the cash is received. No provision is made for interest or dividends receivable from the last day of receipt to the end of the reporting period.

2.2.4 Sale of capital assets

The proceeds received on sale of capital assets are recognised in the statement of financial performance when the cash is received.

2.2.5 Financial transactions in assets and liabilities

Repayments of loans and advances previously extended to employees and public corporations for policy purposes are recognised as revenue in the statement of financial performance on receipt of the funds. Amounts receivable at the reporting date are disclosed in the disclosure notes to the annual financial statements.

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

2.2.6 Gifts, donations and sponsorships (transfers received)

All cash gifts, donations and sponsorships are paid into the Provincial Revenue Fund and recorded as revenue in the statement of financial performance when received. Amounts receivable at the reporting date are disclosed in the disclosure notes to the financial statements.

All in-kind gifts, donations and sponsorships are disclosed at fair value in the annexures to the financial statements.



2.3 Local and foreign aid assistance

Local and foreign aid assistance is recognised in the financial records when the department directly receives the cash from the donor(s). The total cash amounts received during the year are reflected in the statement of financial performance as revenue.

All in-kind local and foreign aid assistance are disclosed at fair value in the annexures to the annual financial statements.

The cash payments made during the year relating to local and foreign aid assistance projects are recognised as expenditure in the statement of financial performance. A receivable is recognised in the statement of financial position to the value of the amounts expensed prior to the receipt of the funds.

A payable is raised in the statement of financial position where amounts have been inappropriately expensed using local and foreign aid assistance, unutilised amounts are recognised in the statement of financial position.

3. Expenditure

3.1 Compensation of employees

Salaries and wages comprise payments to employees. Salaries and wages are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). Capitalised compensation forms part of the expenditure for capital assets in the statement of financial performance.

All other payments are classified as current expense.

Social contributions include the department's contribution to social insurance schemes paid on behalf of the employee. Social contributions are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system.

3.1.1 Short term employee benefits

Short-term employee benefits comprise leave entitlements (capped leave), thirteenth cheques and performance bonuses. The cost of short-term employee benefits is expensed as salaries and wages in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

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

3.1.2 Long-term employee benefits

3.1.2.1 Termination benefits

Termination benefits such as severance packages are recognised as an expense in the statement of financial performance as a transfer when the final authorisation for payment is effected on the system (by no later than 31 March of each year).





3.1.2.2 Medical Benefits

The department provides medical benefits for its employees through defined benefit plans. Employer contributions to the fund are incurred when the final authorisation for payment is effected on the system. No provision is made for medical benefits in the Annual Financial Statements of the department.

3.1.2.3 Post employment retirement benefits

The department provides retirement benefits (pension benefits) for certain of its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when the final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year). No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the Provincial Revenue Fund and not in the financial statements of the employer department.

3.1.2.4 Other Employee Benefits

Obligations arising from leave entitlement, thirteenth cheque and performance bonus that are reflected in the disclosure notes have not been paid for at year-end.

3.2 Goods and services

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

3.3 Interest and rent on land

Interest and rental payments are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). This item excludes rental for the use of buildings or other fixed structures.

3.4 Financial transactions in assets and liabilities

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or under spending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but amounts are disclosed as a disclosure note.

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

3.5 Unauthorised expenditure

Unauthorised expenditure is defined as:

- The overspending of a vote or the 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.





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

Unauthorised expenditure approved with funding is recognised in the statement of financial performance when the unauthorised expenditure is approved and the related funds are received. Where the amount is approved without funding it is recognised as expenditure, subject to availability of savings, in the statement of financial performance on the date of approval.

3.6 Fruitless and wasteful expenditure

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

Fruitless and wasteful expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

3.7 Irregular expenditure

Irregular expenditure is defined as:

Expenditure other than unauthorised expenditure, incurred in contravention of or not in accordance with a requirement of an applicable legislation, including

- The Public Finance Management Act;
- The State Tender Board Act, or any regulations in terms of the act, or
- Any provincial legislation providing for procurement procedures in the department.

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

3.8 Transfers and subsidies

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

3.9 Expenditure for capital assets

Capital Assets are assets that have a value of >R 5,000 per unit and that can be used repeatedly or continuously in production for more than one year.

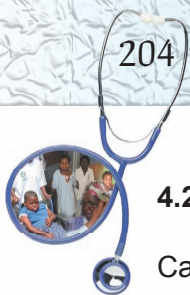
Payments made for capital assets are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

4. Assets

4.1 Capital Assets

Refer to note 3.9





4.2 Cash and cash equivalents

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

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

4.3 Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made.

4.4 Receivables

Receivables are not normally recognised under the modified cash basis of accounting. Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party.

Revenue receivable not yet collected is included in the disclosure notes. Amounts that are potentially irrecoverable are included in the disclosure notes.

4.5 Asset Registers

Assets are recorded in an asset register, at cost, on receipt of the item. Cost of an asset is defined as the total cost of acquisition. Assets procured in previous financial periods, may be stated at fair value, where determinable, or R1, in instances where the original cost of acquisition or fair value cannot be established. No revaluation or impairment of assets is currently recognised in the asset register. Projects (of construction/development) running over more than one financial year relating to assets, are only brought into the asset register on completion of the project and at the total cost incurred over the duration of the project.

Annexure 4 and 5 of the disclosure notes, reflect the total movement in the asset register of assets with a cost equal to and exceeding R5000 (therefore capital assets only) for the current financial year. The movement is reflected at the cost as recorded in the asset register and not the carrying value, as depreciation is not recognised in the financial statements under the modified cash basis of accounting.

5. Liabilities

5.1 Payables

Payables are not normally recognised under the modified cash basis of accounting. Recognised payables mainly comprise amounts owing to other governmental entities. These payables are recognised at historical cost in the statement of financial position.

5.2 Lease commitments

Lease commitments represent amounts owing from the reporting date to the end of the lease contract. These commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.



Operating and finance lease commitments are expensed when the payments are made. Assets acquired in terms of finance lease agreements are disclosed in the annexures to the financial statements.

5.3 Accruals

Accruals represent goods/services that have been received, but where no invoice has been received from the supplier at the reporting date, or where an invoice has been received but final authorisation for payment has not been effected on the system.

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

5.4 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the department; or

A contingent liability is a present obligation that arises from past events but is not recognised because:

- It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - The amount of the obligation cannot be measured with sufficient reliability.
- Contingent liabilities are included in the disclosure notes.

5.5 Commitments

Commitments represent goods/services that have been approved and/or contracted, but where no delivery has taken place at the reporting date.

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

6. Net Assets

6.1 Capitalisation reserve

The capitalisation reserve comprises financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are transferred to the Provincial Revenue Fund on disposal, repayment or recovery of such amounts.

6.2 Recoverable revenue

Recoverable revenue represents payments made and recognised in the Statement of Financial Performance as an expense in previous years due to non-performance in accordance with an agreement, which have now become recoverable from a debtor.

Amounts are recognised as recoverable revenue when a payment made and recognised in a previous financial year becomes recoverable from a debtor.





7. Related party transactions

Related parties are departments that control or significantly influence the department in making financial and operating decisions. Specific information with regards to related party transactions is included in the disclosure notes.

8. Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department.

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

9. Public private partnerships

A public private partnership (PPP) is a commercial transaction between the department and a private party in terms of which the private party:

- Performs an institutional function on behalf of the institution; and/or
- Acquires the use of state property for its own commercial purposes; and
- Assumes substantial financial, technical and operational risks in connection with the performance of the institutional function and/or use of state property; and
- Receives a benefit for performing the institutional function or from utilizing the state property, either by way of:
- Consideration to be paid by the department which derives from a Revenue Fund;
- Charges fees to be collected by the private party from users or customers of a service provided to them; or
- A combination of such consideration and such charges or fees.

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



**APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 MARCH 2006**

APPROPRIATION PER PROGRAMME

	2005/06						2004/05	
	Adjusted Appropriation	Virement	Final Appropriation	Actual Payment	Variance	Payments as % of Final Appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1 Administration								
Current payment	189,782	(7,976)	181,806	181,622	184	99.9%	157,272	157,272
Transfers and subsidies	830	-	830	1,014	(184)	122.2%	377	1,095
Payment for capital assets	3,398	6,883	10,281	10,281	-	100.0%	3,928	3,928
2 District Health Services								
Current payment	4,363,216	80,992	4,444,208	4,635,266	(191,058)	104.3%	3,940,967	4,021,512
Transfers and subsidies	213,797	-	213,797	202,490	11,307	94.7%	186,575	183,292
Payment for capital assets	78,752	-	78,752	87,191	(8,439)	110.7%	48,885	48,885
3 Emergency Medical Services								
Current payment	310,450	26,029	336,479	336,325	154	100.0%	246,959	246,959
Transfers and subsidies	1,063	-	1,063	1,188	(125)	111.8%	814	1,230
Payment for capital assets	97,482	(14,420)	83,062	83,091	(29)	100.0%	57,438	57,438
4 Provincial Hospital Services								
Current payment	2,738,739	(105,434)	2,633,305	2,620,872	12,433	99.5%	2,342,397	2,352,056
Transfers and Subsidies	133,415	(2,461)	130,954	131,050	(96)	100,1%	140,629	144,196
Payment for capital assets	44,108	-	44,108	44,159	(51)	100,1%	17,683	17,683



	2005/06						2004/05	
	Adjusted Appropriation	Virement	Final Appropriation	Actual Payment	Variance	Payments as % of Final Appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
5 Central Hospital Services								
Current payment	812,104	25,000	837,104	896,958	(59,854)	107.2%	754,867	754,867
Transfers and subsidies	2,258	-	2,258	1,579	679	69.9%	1,572	1,154
Payment for capital assets	210,373	(25,000)	185,373	170,069	15,304	91.7%	158,303	158,303
6 Health Sciences and Training								
Current payment	356,852	4,000	360,852	361,160	(308)	100.1%	324,908	324,908
Transfers and subsidies	51,850	(8,613)	43,237	39,647	3,590	91.7%	36,710	37,092
Payment for capital assets	11,500	(4,000)	7,500	7,420	80	98.9%	2,297	2,297
7 Health Care Support Services								
Current payment	-	-	-	-	-	-	10,600	10,600
Transfers and subsidies	7,600	-	7,600	7,600	-	100.0%	-	-
8 Health Facilities Management								
Current payment	210,608	(14,000)	196,608	195,848	760	99.6%	132,910	126,883
Payment for capital assets	586,339	39,000	625,339	540,922	84,417	86.5%	309,894	298,959
Total	10,424,516	-	10,424,516	10,555,752	(131,236)	101,3%	8,875,985	8,950,609
Reconciliation with Statement of Financial Performance								
Departmental Receipts			137,689				122,003	
Local and foreign aid assistance			13,577				4,496	
Actual amounts per Statement of Financial Performance (Total Revenue)			10,575,782				9,002,484	
Local and foreign aid assistance				21,262				2,992
Actual amounts per Statement of Financial Performance (Total Expenditure)				10,577,014				8,953,601



**APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 MARCH 2006**

APPROPRIATION PER ECONOMIC CLASSIFICATION

	2005/06						2004/05	
	Adjusted Appropriation	Virement	Final Appropriation	Actual Payment	Variance	Payments as % of Final Appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment								
Compensation of employees	5,885,619	(18,621)	5,866,998	5,866,764	234	100.0%	5,285,653	5,332,177
Goods and services	3,096,132	27,232	3,123,364	3,361,287	(237,923)	107.6%	2,625,227	2,662,880
Transfers and subsidies								
Provinces and municipalities	90,311	-	90,311	85,107	5,204	94.2%	77,642	71,648
Departmental agencies and accounts	11,163	-	11,163	7,600	3,563	68.1%	3,240	6,768
Public corporations and private enterprises	-	-	-	-	-	0.0%	72,702	72,079
Non-profit institutions	226,769	-	226,769	220,605	6,164	97.3%	156,360	152,897
Households	82,570	(11,074)	71,496	71,256	240	99.7%	56,733	64,667
Payment for capital assets								
Buildings and other fixed structures	388,654	39,035	427,689	421,838	5,851	98.6%	175,635	221,316
Machinery and equipment	642,328	(37,267)	605,061	519,625	85,436	85.9%	422,641	359,479
Software and other intangible assets	50	695	745	750	(5)	100.7%	152	124
Land and Subsoil Assets	920	-	920	920	-	100.0%	-	6,574
Total	10,424,516	-	10,424,516	10,555,752	(131,236)	101.3%	8,875,985	8,950,609



**APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 MARCH 2006**

DETAIL PER PROGRAMME 1: ADMINISTRATION

Programme per subprogramme	2005/06						2004/05	
	Adjusted Appropriation	Virement	Final Appropriation	Actual Payment	Variance	Payments as % of Final Appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Office of the MEC								
Current payment	7,048	550	7,598	7,598	-	100.0%	6,946	6,946
Transfers and subsidies	17	-	17	14	3	82.4%	11	12
Payment for capital assets	185	326	511	511	-	100.0%	1,205	1,205
1.2 Management								
Current payment	182,734	(8,526)	174,208	174,024	184	99.9%	150,326	150,326
Transfers and subsidies	813	-	813	1,000	(187)	123.0%	366	1,083
Payment for capital assets	3,213	6,557	9,770	9,770	-	100.0%	2,723	2,723
Total	194,010	(1,093)	192,917	192,917	-	100.09%	161,577	162,295



**APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 MARCH 2006**

DETAIL PER PROGRAMME 1: ADMINISTRATION

Economic Classification	2005/06						2004/05	
	Adjusted Appropriation	Virement	Final Appropriation	Actual Payment	Variance	Payments as % of Final Appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment								
Compensation of employees	115,788	(12,218)	103,570	103,571	(1)	100.0%	103,325	103,325
Goods and services	73,994	4,242	78,236	78,051	185	99.8%	53,947	53,947
Transfers and subsidies								
Provinces and municipalities	330	-	330	316	14	95.8%	377	305
Households	500	-	500	698	(198)	139.8%	-	790
Payment for capital assets								
Buildings & other fixed structures	-	35	35	35	-	100.0%	-	-
Machinery and equipment	3,348	6,153	9,501	9,501	-	100.0%	3,881	3,909
Software and other intangible assets	50	695	745	745	-	100.0%	47	19
Total	194,010	(1,093)	192,917	192,917	-	100.0%	161,577	162,295



APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2006

DETAILS PER PROGRAMME 2: DISTRICT HEALTH SERVICES

Programme per subprogramme	2005/06						2004/05	
	Adjusted Appropriation	Virement	Final Appropriation	Actual Payment	Variance	Payments as % of Final Appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 District Management								
Current payment	71,534	-	71,534	74,316	(2,782)	103.9%	64,790	62,206
Transfers and subsidies	1,355	-	1,355	630	725	46.5%	485	481
Payment for capital assets	3,773	-	3,773	6,447	(2,674)	170.9%	4,366	4,366
2.2 Community Health Clinics								
Current payment	904,071	-	904,071	824,916	79,155	91.2%	848,774	826,115
Transfers and subsidies	94,177	-	94,177	93,821	356	99.6%	81,778	79,481
Payment for capital assets	8,097	-	8,097	13,443	(5,346)	166.0%	7,136	7,136
2.3 Community Health Centres								
Current payment	212,624	-	212,624	216,420	(3,796)	101.8%	177,224	163,382
Transfers and subsidies	1,309	-	1,309	1,528	(219)	116.7%	1,414	1,255
Payment for capital assets	3,543	-	3,543	2,667	876	75.3%	2,390	2,390



**APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 MARCH 2006**

DETAILS PER PROGRAMME 2: DISTRICT HEALTH SERVICES

Programme per subprogramme		2005/06					2004/05		
		Adjusted Appropriation	Virement	Final Appropriation	Actual Payment	Variance	Payments as % of Final Appropriation	Final Appropriation	Actual Payment
		R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.4	Community Based Services								
	Current Payment	97,297	-	97,297	70,722	26,575	72.7%	85,696	68,473
	Transfers and subsidies	260	-	260	255	5	98.1%	869	965
2.5	Other Community Services								
	Current payment	303,623	-	303,623	386,191	(82,568)	127.2%	290,525	287,423
	Transfers and subsidies	4,100	-	4,100	3,537	563	86.3%	2,787	3,036
	Payment for capital assets	6,104	-	6,104	6,879	(775)	112.7%	5,252	5,252
2.6	HIV and AIDS								
	Current payment	526,395	-	526,395	519,274	7,121	98.6%	329,311	340,384
	Transfers and subsidies	11,971	-	11,971	6,885	5,086	57.5%	7,816	3,765
	Payment for capital assets	4,938	-	4,938	1,934	3,004	39.2%	4,388	4,388



**APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 MARCH 2006**

DETAILS PER PROGRAMME 2: DISTRICT HEALTH SERVICES (continued)

Programme per subprogramme		2005/06					2004/05		
		Adjusted Appropriation	Virement	Final Appropriation	Actual Payment	Variance	Payments as % of Final Appropriation	Final Appropriation	Actual Payment
		R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.7	Nutrition								
	Current payment	26,954	-	26,954	31,792	(4,838)	117.9%	24,997	23,666
	Transfers and subsidies	-	-	-	28	(28)	0.0%	3	9
	Payment for capital assets	-	-	-	-	-	0.0%	1,338	1,338
2.8	Coroner Services								
	Current payment	4,031	-	4,031	2,094	1,937	51.9%	935	951
	Transfers and subsidies	-	-	-	1	(1)	0.0%	-	-
	Payment for capital assets	20,945	-	20,945	841	20,104	4.0%	-	-
2.9	District Hospitals								
	Current payment	2,216,687	80,992	2,297,679	2,509,541	(211,862)	109.2%	2,118,715	2,248,912
	Transfers and subsidies	100,625	-	100,625	95,805	4,820	95.2%	91,423	94,300
	Payment for capital assets	31,352	-	31,352	54,980	(23,628)	175.4%	24,015	24,015
Total		4,655,765	80,992	4,736,757	4,924,947	(188,190)	104.0%	4,176,427	4,253,689



**APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 MARCH 2006**

DETAILS PER PROGRAMME 2: DISTRICT HEALTH SERVICES (continued)

Economic Classification	2005/06						2004/05	
	Adjusted Appropriation	Virement	Final Appropriation	Actual Payment	Variance	Payments as % of Final Appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment								
Compensation of employees	3,004,392	45,466	3,049,858	3,012,772	37,086	98.8%	2,740,453	2,783,035
Goods and services	1,358,824	35,526	1,394,350	1,622,494	(228,144)	116.4%	1,200,514	1,238,477
Transfers and subsidies								
Provinces and municipalities	81,798	-	81,798	76,491	5,307	93.5%	69,389	63,998
Departmental agencies and accounts	-	-	-	-	-	0.0%	-	4
Non-profit Institutions	113,057	-	113,057	106,770	6,287	94.4%	105,605	101,835
Households	18,942	-	18,942	19,229	(287)	101.5%	11,581	17,455
Payment for capital assets								
Buildings and other fixed structures	-	-	-	96	(96)	0.0%	446	446
Machinery and equipment	78,752	-	78,752	87,095	(8,343)	110.6%	48,373	48,373
Software and other intangible assets	-	-	-	-	-	0.0%	66	66
Total	4,655,765	80,992	4,736,757	4,924,947	(188,190)	104.0%	4,176,427	4,253,689



**APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 MARCH 2006**

DETAILS PER PROGRAMME 3: EMERGENCY MEDICAL SERVICES

Programme per subprogramme		2005/06					2004/05		
		Adjusted Appropriation	Virement	Final Appropriation	Actual Payment	Variance	Payments as % of Final Appropriation	Final Appropriation	Actual Payment
		R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1	Emergency Transport								
	Current payment	298,454	30,011	328,465	328,311	154	100.0%	239,428	239,428
	Transfers and subsidies	1,021	-	1,021	1,170	(149)	114.6%	804	1,217
	Payment for capital assets	88,639	(16,920)	71,719	71,697	22	100.0%	49,336	49,336
3.2	Planned Patient Transport								
	Current payment	11,996	(3,982)	8,014	8,014	-	100.0%	7,531	7,531
	Transfers and subsidies	42	-	42	18	24	42.9%	10	13
	Payment for capital assets	8,843	2,500	11,343	11,394	(51)	100.4%	8,102	8,102
Total		408,995	11,609	420,604	420,604	-	100.0%	305,211	305,627



**APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 MARCH 2006**

DETAILS PER PROGRAMME 3: EMERGENCY MEDICAL SERVICES

Economic Classification	2004/05						2003/04	
	Adjusted Appropriation	Virement	Final Appropriation	Actual Payment	Variance	Payments as % of Final Appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment								
Compensation of employees	213,486	16,560	230,046	230,047	(1)	100.0%	178,201	178,201
Goods and services	96,964	9,469	106,433	106,278	155	99.9%	68,758	68,758
Transfers and subsidies								
Provinces and municipalities	631	-	631	680	(49)	107.8%	502	518
Households	432	-	432	508	(76)	117.6%	312	712
Payment for capital assets								
Buildings and other fixed structures	-	-	-	29	(29)	0.0%	-	-
Machinery and equipment	97,482	-14,420	83,062	83,062	-	100.0%	57,438	57,438
Total	408,995	11,609	420,604	420,604	-	100.0%	305,211	305,627



**APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 MARCH 2006**

DETAILS PER PROGRAMME 4: PROVINCIAL HOSPITAL SERVICES

Programme per subprogramme		2005/06					2004/05		
		Adjusted Appropriation	Virement	Final Appropriation	Actual Payment	Variance	Payments as % of Final Appropriation	Final Appropriation	Actual Payment
		R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1	General Hospitals								
	Current payment	2,139,419	12,286	2,151,705	2,144,891	6,814	99.7%	1,872,492	1,905,738
	Transfers and subsidies	29,350	(2,461)	26,889	27,172	(283)	101.1%	21,097	25,044
	Payment for capital assets	36,953	-	36,953	40,923	(3,970)	110.7%	15,872	15,872
4.2	Tuberculosis Hospitals								
	Current payment	261,553	(80,720)	180,833	177,445	3,388	98.1%	195,457	172,444
	Transfers and subsidies	50,434	-	50,434	50,786	(352)	100.7%	69,901	69,606
	Payment for capital assets	4,461	-	4,461	2,101	2,360	47.1%	237	237
4.3	Psychiatric Hospitals								
	Current payment	264,133	(18,000)	246,133	245,134	999	99.6%	216,525	219,089
	Transfers and subsidies	50,130	-	50,130	49,595	535	98.9%	46,425	46,211
	Payment for capital assets	1,951	-	1,951	1,005	946	51.5%	1,460	1,460



**APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 MARCH 2006**

DETAILS PER PROGRAMME 4: PROVINCIAL HOSPITAL SERVICES

Programme per subprogramme		2005/06					2004/05		
		Adjusted Appropriation	Virement	Final Appropriation	Actual Payment	Variance	Payments as % of Final Appropriation	Final Appropriation	Actual Payment
		R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.4	Chronic Medical Hospitals								
	Current payment	64,573	(18,000)	46,573	45,467	1,106	97.6%	50,011	47,118
	Transfers and subsidies	3,474	-	3,474	3,474	-	100.0%	3,188	3,219
	Payment for capital assets	693	-	693	111	582	16.0%	64	64
4.5	Dental Training Hospital								
	Current payment	9,061	(1,000)	8,061	7,935	126	98.4%	7,912	7,667
	Transfers and subsidies	27	-	27	23	4	85.2%	18	116
	Payment for capital assets	50	-	50	19	31	38.0%	50	50
Total		2,916,262	(107,895)	2,808,367	2,796,081	12,286	99.6%	2,500,709	2,513,935



**APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 MARCH 2006**

DETAILS PER PROGRAMME 4: PROVINCIAL HOSPITAL SERVICES (continued)

Economic Classification	2005/06						2004/05	
	Adjusted Appropriation	Virement	Final Appropriation	Actual Payment	Variance	Payments as % of Final Appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment								
Compensation of employees	1,938,154	(95,934)	1,842,220	1,836,400	5,820	99.7%	1,687,428	1,691,331
Goods and services	800,585	(9,500)	791,085	784,472	6,613	99.2%	654,969	660,725
Transfers and subsidies								
Provinces and municipalities	5,743	-	5,743	5,715	28	99.5%	5,402	5,210
Public corporations and private enterprises	-	-	-	-	-	0.0%	72,702	72,079
Non-profit Institutions	109,472	-	109,472	109,596	(124)	100.1%	49,070	49,377
Households	18,200	(2,461)	15,739	15,739	-	100.0%	13,455	17,530
Payment for capital assets								
Buildings and other fixed structures	-	-	-	167	(167)	0.0%	-	-
Machinery and equipment	44,108	-	44,108	43,987	121	99.7%	17,644	17,644
Software and other intangible assets	-	-	-	5	(5)	0.0%	39	39
TOTAL	2,916,262	(107,895)	2,808,367	2,796,081	12,286	99.6%	2,500,709	2,513,935



**APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 MARCH 2006**

DETAILS PER PROGRAMME 5: CENTRAL HOSPITAL SERVICES

Programme per subprogramme	2005/06						2004/05	
	Adjusted Appropriation	Virement	Final Appropriation	Actual Payment	Variance	Payments as % of Final Appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
5.1 Central Hospitals								
Current payment	187,534	-	187,534	213,166	(25,632)	113.7%	185,962	185,962
Transfers and subsidies	1,147	-	1,147	372	775	32.4%	420	407
Payment for capital assets	123,008	(12,500)	110,508	103,860	6,648	94.0%	82,160	82,160
5.2 Tertiary Hospitals								
Current payment	624,570	(25,000)	649,570	683,792	(34,222)	105.3%	568,905	568,905
Transfers and subsidies	1,111	-	1,111	1,207	(96)	108.6%	1,152	747
Payment for capital assets	87,365	(12,500)	74,865	66,209	8,656	88.4%	76,143	76,143
Total	1,024,735	-	1,024,735	1,068,606	(43,871)	104.3%	914,742	914,324



**APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 MARCH 2006**



DETAILS PER PROGRAMME 5: CENTRAL HOSPITAL SERVICES

Economic Classification	2005/06						2004/05	
	Adjusted Appropriation	Virement	Final Appropriation	Actual Payment	Variance	Payments as % of Final Appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment								
Compensation of employees	299,748	27,505	327,253	387,107	(59,854)	118.3%	293,981	293,981
Goods and services	512,356	(2,505)	509,851	509,851	-	100.0%	460,886	460,886
Transfers and subsidies								
Provinces and municipalities	924	-	924	1,033	(109)	111.8%	1,072	772
Dept agencies and accounts	-	-	-	5	(5)	0.0%	-	-
Households	1,334	-	1,334	541	793	40,6%	500	382
Payment for capital assets								
Machinery & equipment	210,373	(25,000)	185,373	170,069	15,304	91.7%	158,303	158,303
Total	1,024,735	-	1,024,735	1,068,606	(43,871)	104.3%	914,742	914,324

**APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 MARCH 2006**

DETAILS PER PROGRAMME 6: HEALTH SCIENCES AND TRAINING

Programme per subprogramme	2005/06						2004/05	
	Adjusted Appropriation	Virement	Final Appropriation	Actual Payment	Variance	Payments as % of Final Appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
6.1 Nursing Training Colleges								
Current payment	208,618	-	208,618	214,530	(5,912)	102.8%	208,893	208,893
Transfers and subsidies	2,043	-	2,043	2,534	(491)	124.0%	695	699
Payment for capital assets	9,368	(4,000)	5,368	2,434	2,934	45.3%	1,439	1,439



**APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 MARCH 2006**

DETAILS PER PROGRAMME 6: HEALTH SCIENCES AND TRAINING

Programme per subprogramme		2005/06					2004/05		
		Adjusted Appropriation	Virement	Final Appropriation	Actual Payment	Variance	Payments as % of Final Appropriation	Final Appropriation	Actual Payment
		R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
6.2	EMS Training Colleges								
	Current payment	11,810	-	11,810	10,191	1,619	86.3%	3,767	3,767
	Transfers and subsidies	24	-	24	16	8	66.7%	-	8
	Payment for capital assets	500	-	500	4,579	(4,079)	915.8%	844	844
6.3	Bursaries								
	Current payment	92	-	92	180	(88)	195.7%	18	18
	Transfers and subsidies	42,670	(8,613)	34,057	33,638	419	98.8%	30,840	27,678
6.4	Primary Health Care Training								
	Current payment	51,995	-	51,995	48,602	3,393	93.5%	39,641	39,641
	Transfers and subsidies	158	-	158	173	(15)	109.5%	127	85
	Payment for capital assets	1,404	-	1,404	309	1,095	22.0%	6	6
6.5	Training Other								
	Current payment	84,337	4,000	88,337	87,657	680	99.2%	72,589	72,589
	Transfers and subsidies	6,955	-	6,955	3,286	3,669	47.2%	5,048	8,622
	Payment for capital assets	228	-	228	98	130	43.0%	8	8
Total		420,202	(8,613)	411,589	408,227	3,362	99.2%	363,915	364,297



**APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 MARCH 2006**

DETAILS PER PROGRAMME 6: HEALTH SCIENCES AND TRAINING (continued)

Economic Classification	2005/06						2004/05	
	Adjusted Appropriation	Virement	Final Appropriation	Actual Payment	Variance	Payments as % of Final Appropriation	Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment								
Compensation of employees	314,051	-	314,051	296,867	17,184	94.5%	282,265	282,265
Goods and services	42,801	4,000	46,801	64,293	(17,492)	137.4%	42,643	42,643
Transfers and subsidies								
Provinces and municipalities	885	-	885	858	27	96.9%	900	845
Departmental agencies and accounts	3,563	-	3,563	-	3,563	0.0%	3,240	6,764
Non-Profit Institutions	4,240	-	4,240	4,240	-	100.0%	1,685	1,685
Households	43,162	(8,613)	34,549	34,549	-	100.0%	30,885	27,798
Payment for capital assets								
Buildings and other fixed structures	-	-	-	14	(14)	0.0%	-	-
Machinery and equipment	11,500	(4,000)	7,500	7,406	94	98.7%	2,297	2,297
Total	420,202	(8,613)	411,589	408,227	3,362	99.2%	363,915	364,297



**APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 MARCH 2006**

DETAILS PER PROGRAMME 7: HEALTH CARE SUPPORT SERVICES

Programme per subprogramme		2005/06					2004/05		
		Adjusted Appropriation	Virement	Final Appropriation	Actual Payment	Variance	Payments as % of Final Appropriation	Final Appropriation	Actual Payment
		R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
7.1	Medicine Trading Account								
	Current payment	-	-	-	-	-	-	10,600	10,600
	Transfers & subsidies	7,600	-	7,600	7,600	-	100.0%	-	-
Total		7,600	-	7,600	7,600	-	100.0%	10,600	10,600

Economic Classification		2005/06					2004/05		
		Adjusted Appropriation	Virement	Final Appropriation	Actual Payment	Variance	Payments as % of Final Appropriation	Final Appropriation	Actual Payment
		R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
	Goods and services	-	-	-	-	-	-	10,600	10,600
Transfers and subsidies									
	Departmental agencies and accounts	7,600	-	7,600	7,600	-	100.0%	-	-
Total		7,600	-	7,600	7,600	-	100.0%	10,600	10,600



APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2006

DETAILS PER PROGRAMME 8: HEALTH FACILITIES MANAGEMENT

Programme per subprogramme		2005/06					2004/05		
		Adjusted Appropriation	Virement	Final Appropriation	Actual Payment	Variance	Payments as % of Final Appropriation	Final Appropriation	Actual Payment
		R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
8.1	Community Health Services								
	Current payment	56,355	(14,000)	42,355	21,053	21,302	49.7%	11,383	11,383
	Payment for capital assets	160,968	39,000	199,968	203,367	(3,399)	101.7%	70,001	42,402
8.2	District Hospitals								
	Current payment	90,498	-	90,498	92,913	(2,415)	102.7%	64,839	64,839
	Payment for capital assets	112,989	-	112,989	145,728	(32,739)	129.0%	82,455	83,487
8.3	Emergency Medical Services								
	Current payment	1,200	-	1,200	683	517	56.9%	610	610
	Payment for capital assets	9,000	-	9,000	5,727	3,273	63.6%	-	77
8.4	Provincial Hospital Services								
	Current payment	39,512	-	39,512	49,215	(9,703)	124.6%	35,256	32,892
	Payment for capital assets	238,141	-	238,141	178,409	59,732	74.9%	139,198	153,857
8.5	Central Hospital Services								
	Payment for capital assets	48,000	-	48,000	-	48,000	0.0%	-	-



**PPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 MARCH 2006**

DETAILS PER PROGRAMME 8: HEALTH FACILITIES MANAGEMENT

Programme per subprogramme		2005/06					2004/05		
		Adjusted Appropriation	Virement	Final Appropriation	Actual Payment	Variance	Payments as % of Final Appropriation	Final Appropriation	Actual Payment
		R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
8.6	Other Services								
	Current Payment	23,043	-	23,043	31,984	(8,941)	138.8%	20,822	17,159
	Payment for capital assets	17,241	-	17,241	7,691	9,550	44.6%	18,240	19,136
Total		796,947	25,000	821,947	736,770	85,177	89.6%	442,804	425,842

DETAILS PER PROGRAMME 8: HEALTH FACILITIES MANAGEMENT (continued)

Economic Classification		2005/06					2004/05		
		Adjusted Appropriation	Virement	Final Appropriation	Actual Payment	Variance	Payments as % of Final Appropriation	Final Appropriation	Actual Payment
		R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
	Compensation of employees	-	-	-	-	-	0.0%	-	39
	Goods and services	210,608	(14,000)	196,608	195,848	760	99.6%	132,910	126,844
Payment for capital assets									
	Buildings & other fixed structures	388,654	39,000	427,654	421,497	6,157	98.6%	175,189	220,870
	Machinery & equipment	196,765	-	196,765	118,505	78,260	60.2%	134,705	71,515
	Land and Subsoil Assets	920	-	920	920	-	100.0%	-	6,574
Total		796,947	25,000	821,947	736,770	85,177	89.6%	442,804	425,842



NOTES TO THE APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2006

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

Detail of these transactions can be viewed in note 7 (Transfers and subsidies) and Annexure 1 (A-J) to the annual financial statements.

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

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the annual financial statements.

3. Detail on financial transactions in assets and liabilities

Detail of these transactions per programme can be viewed in note 6 (Financial transactions in assets) to the annual financial statements.

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

4.1 Per Programme:

	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Approp.
Administration	192,917	192,917	-	0.00%
Expenditure on this programme relates the Head Office functions and strict control over the spending was maintained. After effecting the approved virements no variance was reflected on the above programme.				
District Health Services	4,736,757	4,924,947	(188,190)	(3.97%)
The over-expenditure on this programme after the approved virements have been effected is R188, 190 million. (3.97% of the main division allocation). The net over-expenditure relates primarily to the increased demand for District Hospital Services.				
Emergency Medical Services	420, 604	420, 604	-	0.00%
After effecting the approved virements, no variance was reflected on the above programme.				
Provincial Hospital Services	2,808,367	2,796,081	12,286	0.44%
The under-expenditure in this programme after the approval of virement is R12, 286 million, which relates to the unspent Health Professional Training and Development Grant, for which a roll-over has been requested.				
Central Hospital Services	1,024,735	1,068,606	(43,871)	(4.28%)
The over-expenditure in this programme, after approval of the virement of R43,871 million (4,28% of the main division of the vote), relates mainly to the development of Tertiary Services within the Province.				
Health Sciences and Training	411,589	408,227	3,362	0.82%
The under-expenditure in this programme, after approval of virements is R3, 362 million, (0.82% of the main division of the vote) which relates to the provision made for the payment of the skills levy to the Health and Welfare SETA, which was paid after 31 March 2006.				
Health Care Support Services	7,600	7,600	-	0.00%
Expenditure on this programme is as approved for this main division.				
Health Facilities Management	821,947	736,770	85,177	10.36%
The under-expenditure in this programme, after approval of virements is R85, 177 million, (10,36% of the main division of the vote) , relates to a request for a roll-over for the Revitalisation Grant resulting from an appeal against a contract for a major capital project. This appeal has now been resolved.				





**Final
Appropriation
2005/06
R'000**

4.2 Per economic classification

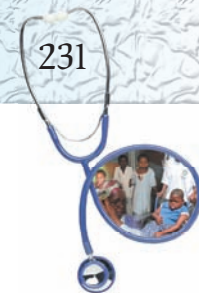
Current expenditure	
Compensation of employees	5,866,998
Goods and services	3,123,364
Transfers and subsidies	
Provinces and municipalities	90,311
Departmental agencies and accounts	11,163
Non-profit institutions	226,769
Households	71,496
Payments for capital assets	
Buildings and other fixed structures	427,689
Machinery and equipment	605,061
Software and other intangible assets	745
Land and sub soil assets	920
TOTAL	10,424,516



**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 MARCH 2006**

	Note	2005/06 R'000	2004/05 R'000
REVENUE			
Annual appropriation	1	10,424,516	8,875,985
Departmental revenue to be surrendered to revenue fund	2	137,689	122,003
Local and foreign aid assistance	3	13,577	4,496
TOTAL REVENUE		10,575,782	9,002,484
EXPENDITURE			
Current expenditure			
Compensation of employees	4	5,866,764	5,332,177
Goods and services	5	3,361,287	2,662,880
Local and foreign aid assistance	3	21,262	2,992
Total current expenditure		9,249,313	7,998,049
Transfers and subsidies	7	384,568	368,059
Expenditure for capital assets			
Buildings and other fixed structures	8	421,838	221,316
Machinery and Equipment	8	519,625	359,479
Software and other intangible assets	8	750	124
Land and subsoil assets	8	920	6,574
Total expenditure for capital assets		943,133	587,493
TOTAL EXPENDITURE		10,577,014	8,953,601
(DEFICIT)/SURPLUS		(1,232)	48,883
Add back unauthorised expenditure	9	232,061	92,004
SURPLUS FOR THE YEAR		230,829	140,887
Reconciliation of Net Surplus of the year			
Voted Funds	13	100,825	17,380
Department Revenue	14	137,689	122,003
Local and foreign aid assistance	3	(7,685)	1,504
NET SURPLUS FOR THE YEAR		230,829	140,887





**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2006**

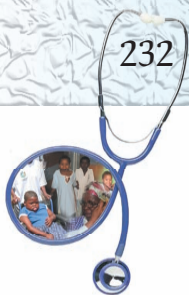
	Note	2005/06 R'000	2004/05 R'000
ASSETS			
Current assets		1,032,636	827,762
Unauthorised expenditure	9	1,016,335	784,274
Cash and Cash Equivalents	10	1,747	1,447
Prepayments and advances	11	192	498
Receivables	12	14,362	41,543
TOTAL ASSETS		1,032,636	827,762
LIABILITIES			
Current Liabilities		1,028,334	827,312
Voted funds to be surrendered to the Revenue Fund	13	82,685	(10,232)
Departmental revenue to be surrendered to the Revenue Fund	14	1,819	41,569
Bank overdraft	15	897,904	775,630
Payables	16	42,739	9,473
Local and foreign aid assistance unutilised	3	3,187	10,872
TOTAL LIABILITIES		1,028,334	827,312
NET ASSETS		4,302	450
Represented by:			
Recoverable revenue		4,302	450
TOTAL		4,302	450

**STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 31 MARCH 2006**

Recoverable revenue

Opening balance	450	0
Debts raised	3,852	450
Balance at 31 March 2006	4,302	450





**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2006**

	Note	2005/06 R'000	2004/05 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		10,575,746	9,002,469
Annual appropriation funds received		10,424,516	8,875,985
Departmental revenue received		137,653	121,988
Local and foreign aid assistance received		13,577	4,496
Net decrease/(increase) in working capital		60,753	(727,886)
Surrendered to Revenue Fund		(185,347)	(96,900)
Current payments		(9,249,313)	(7,998,049)
Transfers and subsidies paid		(384,568)	(368,059)
Net cash flow available from operating activities	17	817,271	(188,425)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets		(943,133)	(587,493)
Proceeds from sale of capital assets	2	36	15
Net cash flows from investing activities		(943,097)	(587,478)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in net assets		3,852	-
Increase in non-current payables		-	450
Net cash flows from financing activities		3,852	450
Net decrease in cash and cash equivalents		(121,974)	(775,453)
Cash and cash equivalents at beginning of period		(774,183)	1,270
Cash and cash equivalents at end of period	18	(896,157)	(774,183)



NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2006



1. Annual Appropriation

1.1 Annual Appropriation

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

Programmes	Final Appropriation R'000	Actual Funds received R'000	Funds not requested/ not received R'000	Appropriation received 2004/05 R'000
Administration	192,917	194,010	(1,093)	161,577
District Health Services	4,736,757	4,655,765	80,992	4,176,427
Emergency Medical Services	420,604	408,995	11,609	305,211
Provincial Hospital Services	2,808,367	2,916,262	(107,895)	2,500,709
Central Hospital Services	1,024,735	1,024,735	-	914,742
Health Sciences and Training	411,589	420,202	(8,613)	363,915
Health Care Support Services	7,600	7,600	-	10,600
Health Facilities Management	821,947	796,947	25,000	442,804
Total	10,424,516	10,424,516	-	8,875,985

1.2 Conditional grants

	Note	2005/06 R'000	2004/05 R'000
Total grants received	ANNEXURE 1A	1,592,500	1,258,750

Provincial Grants included in Total grants received

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

2. Departmental revenue to be surrendered to Revenue Fund

Sales of goods and services other than capital assets	2.1	114,095	116,915
Fines, penalties and forfeits		6	11
Interest, dividends and rent on land	2.2	21	443
Sales of capital assets	2.3	36	15
Financial transactions in assets and liabilities	2.4	23,531	4,619
Total revenue collected		137,689	122,003

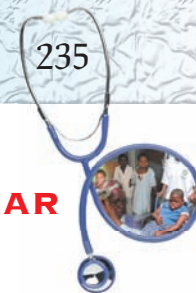


NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2006

	2005/06 R'000	2004/05 R'000
2.1 Sales of goods and services other than capital assets		
Sales of goods and services produced by the department	113,352	116,253
Administrative fees	3,481	3,184
Other sales	109,871	113,069
Sales of scrap, waste and other used current goods	743	662
Total	114,095	116,915
2.2 Interest, dividends and rent on land		
Interest	21	443
2.3 Sales of capital assets		
Other capital assets	36	15
2.4 Financial transactions in assets and liabilities		
Nature of loss recovered		
Other receipts including recoverable revenue	23,531	4,619

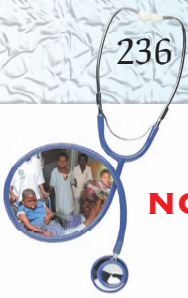


NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2006



	2005/06 R'000	2004/05 R'000
3. Local and foreign aid assistance		
3.1 Assistance received in cash		
Local		
Opening balance	3,056	261
Revenue	4,077	4,496
Expenditure : Current	(5,604)	(1,701)
Total	1,529	3,056
Foreign		
Opening balance	7,816	9,107
Revenue	9,500	-
Expenditure : Current	(15,658)	(1,291)
	1,658	7,816
Total		
Opening Balance	10,872	9,368
Revenue	13,577	4,496
Expenditure : Current	(21,262)	(2,992)
	3,187	10,872
Analysis of balance		
Local and foreign aid unutilised	3,187	10,872
	3,187	10,872
4. Compensation of employees		
4.1 Salaries and wages		
Basic Salary	3,966,263	3,594,055
Performance award	231	521
Service Based	10,410	14,203
Compensative/circumstantial	486,167	440,174
Periodic payments	64,002	51,145
Other non-pensionable allowances	559,871	443,699
Total	5,086,944	4,543,797





NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2006

	2005/06 R'000	2004/05 R'000
4.2 Social contributions		
4.2.1 Employer contributions		
Pension	504,054	526,438
Medical	273,531	259,839
UIF	446	345
Bargaining Council	1,644	1,710
Official unions and associates	1	10
Insurance	144	38
Total	<u>779,820</u>	<u>788,380</u>
 Total compensation of employees	 <u>5,866,764</u>	 <u>5,332,177</u>
 Average number of employees	 <u>54,742</u>	 <u>52,398</u>

During the 2005/2006 financial year, the MEC received the following benefits.

A basic salary of R448, 000, a Political Allowance of R37, 000 and a Political Office Car Allowance of R114, 000.

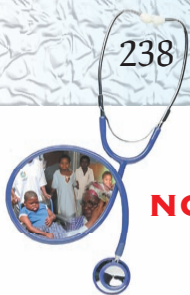


NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2006



	Note	2005/06 R'000	2004/05 R'000
5. Goods and services			
Advertising		47,020	17,603
Attendance fees (including registration fees)		8,813	11,481
Bank charges and card fees		4,159	241
Bursaries (employees)		14	17
Communication		87,233	76,068
Computer services		48,222	46,361
Consultants, contractors and special services		500,605	449,150
Courier and delivery services		1,818	1,341
Drivers licences and permits		1,612	623
Entertainment		2,160	825
External audit fees	5.1	4,295	3,432
Equipment less than R5 000		52,411	41,515
Freight services		1,241	1,235
Honoraria (Voluntary workers)		11	254
Inventory	5.2	1,860,443	1,522,255
Licence agency fees		1	5
Legal Fees		3,099	1,831
Maintenance, repair and running costs		177,882	97,916
Medical services		194,434	139,585
Operating leases		44,499	26,680
Personnel agency fees		14,823	9,499
Plants, flowers and other decorations		124	63
Professional bodies and membership fees		10,931	11,002
Resettlement costs		5,485	2,557
Subscriptions		6	2
Taking over of contractual obligations		129	-
Owned and leasehold property expenditure		119,208	113,921
Translations and transcriptions		27	4
Transport provided as part of the departmental activities		9,914	5,965
Travel and subsistence	5.3	63,298	36,006
Venues and facilities		35,630	11,064
Protective, special clothing & uniforms		32,826	13,096
Training and staff development		28,912	21,282
Witness and related fees		2	1
Total		3,361,287	2,662,880





NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2006

	2005/06 R'000	2004/05 R'000
5.1 External audit fees		
Regulatory audits	3,131	2,982
Performance audits	417	193
Other audits	747	257
Total external audit fees	4,295	3,432
5.2 Inventory		
Inventory surcharges	71	-
Medsas inventory interface	29	22
Construction work in progress	11	277
Domestic consumables	125,069	88,629
Food and food supplies	118,026	100,050
Fuel, oil and gas	47,113	35,582
Laboratory consumables	699	-
Other consumables	12,049	19,709
Parts and other main material	119,289	104,705
Sport and recreation	469	223
Stationery and Printing	88,640	39,461
Medical Supplies	1,348,978	1,133,597
Total	1,860,443	1,522,255

The total inventory on hand as at 31 March 2006 is R1,321 billion. This amount consists of consumables of R262m, pharmaceuticals of R120m and equipment of R940m.

5.3 Travel and subsistence		
Local	62,820	35,686
Foreign	478	320
Total	63,298	36,006



NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2006

6. Financial transactions in assets

In the prior year the accounting treatment for damages and losses had changed. When damages/theft of state assets occurs the balance sheet is debited and credited with the original cost of the asset. During the current year an amount of R1,598m was written off for thefts and damages.

	Note	2005/06 R'000	2004/05 R'000
7. Transfers and subsidies			
Provinces and municipalities	ANNEXURE 1B & 1C	85,093	71,648
Departmental agencies and accounts	ANNEXURE 1D	7,605	6,768
Public corporations and private enterprises	ANNEXURE 1E	-	72,079
Non-profit institution	ANNEXURE 1F	220,605	152,897
Households	ANNEXURE 1G	71,265	64,667
Total		<u>384,568</u>	<u>368,059</u>
8. Expenditure on capital assets			
Buildings and other fixed structures	ANNEXURE 3	421,838	221,316
Machinery and equipment	ANNEXURE 3	519,625	359,479
Land and subsoil assets	ANNEXURE 3	920	6,574
Software and other intangible assets	ANNEXURE 4	750	124
Total		<u>943,133</u>	<u>587,493</u>

During the year the Department had paid an amount of R57,7 m to Department of Works for the undertaking of capital expenditure for infrastructure projects. The Department of Works contracted Ithala Development Corporation in order to expedite service delivery in health infrastructure through clinic upgrading and the revitalisation of hospital facilities. At the end of the financial year, not all the projects had been completed and hence these projects will be continued in the 2006/2007 financial year.

During the 2005/2006 financial year, an amount of R167,1m was paid to Impilo Consortium as an additional contribution in terms of clause 26.1.3 and schedule 16 of the Public Private Partnership Agreement. This amount was for the subscription of deferred shares by Cowslip Investments, the Special Purpose Vehicle created in terms of the agreement, for Deferred shares in Impilo Consortium. The deferred shares are provided for in terms of the National Treasury Standard Guidelines on Public Private Partnerships, as a means of securing the interest of the Department in the relevant fixed assets until the end of the period of the agreement. The payments are reflected in the financial statements under expenditure for capital assets – machinery and equipment. National Treasury is in the process of reviewing the accounting treatment for PPP's with a view to providing input to the Accounting Standards Board on appropriate treatment of PPP's in the financial statements of Departments, in light of the recently issued draft guidelines.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2006

	2005/06 R'000	2004/05 R'000
9. Unauthorised expenditure		
9.1 Reconciliation of unauthorised expenditure		
Opening balance	784,274	675,947
Unauthorised expenditure-current year	232,061	92,004
Transfer to receivables for recovery (not approved)	-	16,323
Unauthorised expenditure awaiting authorisation	1,016,335	784,274
9.2 Analysis of current unauthorised expenditure		
Programme No:	Name of the Programme	
2	District Health Services	
5	Central Hospital Services	
Total	232,061	
10. Cash and cash equivalents		
Consolidated Paymaster General Account	1,448	222
Cash on hand	299	1,225
Total	1,747	1,447
11. Prepayments and advances		
Travel and subsistence	192	498

		Less than one year R'000	One to three years R'000	Older than three years R'000	Total R'000	Total R'000
12. Receivables						
Staff debtors	12.1	731	4,072	21	4,824	1,093
Other debtors	12.2	9,538	-	-	9,538	40,450
Total		10,269	4,072	21	14,362	41,543



NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2006



	2005/06	2004/05
	R'000	R'000
12.1 Staff debtors		
Debt account	4,824	1,086
Donor Funding receivables	-	7
Total	<u><u>4,824</u></u>	<u><u>1,093</u></u>
12.2 Other debtors		
Salary control accounts	5,280	453
Dishonoured Cheques	3	36
MEDSAS Account	-	9,412
Inventory – CPS Interface	4,201	31,457
Inventory – CPS	(6,082)	2,686
CPS – Claims recoverable balance	-	(5,366)
Global Fund	-	86
Sundry debtors	6,136	1,686
Total	<u><u>9,538</u></u>	<u><u>40,450</u></u>

In the prior year, the interface between the General Stores Systems at CPS did not interface correctly. This resulted in a balance of R28,777 m on the balance sheet. During the 05/06 financial year, this has subsequently been cleared.

13. Voted funds to be surrendered to the Revenue Fund		
Opening balance	(10,232)	-
Transfer from Statement of Financial Performance	100,825	17,380
Voted funds not requested/not received	-	(11,146)
Adjustments/Paid during the year	(7,908)	(16,466)
Closing balance	<u><u>82,685</u></u>	<u><u>(10,232)</u></u>

The department has requested a total amount of R151, 02 m to be rolled over from the 2005/2006 financial year to the 2006/2007 financial year. This is made up of Conditional Grants of R4,264m for Hospital Management and Quality Improvement, R22,352m for Coroner Services, R12,286m for Health Professions Training and Development and R12,118m for Hospital Revitalisation.

14. Departmental revenue to be surrendered to the Revenue Fund		
Opening balance	41,569	-
Transfer from Statement of Financial Performance	137,689	122,003
Paid during the year	(177,439)	(80,434)
Closing balance	<u><u>1,819</u></u>	<u><u>41,569</u></u>

Included in the amount paid during the year to Provincial Treasury is an amount of R28,996m, being PMSC profit pertaining to prior years. The correct amount that should have been paid is R237,000. The department is presently resolving the matter with Provincial Treasury.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2006

	Note	30+Days R'000	2005/06 R'000	2004/05 R'000
15. Bank overdraft				
Consolidated Paymaster General Account			897,904	775,630
Total			<u>897,904</u>	<u>775,630</u>
16. Payables – current				
Description				
Cleaning accounts	16.1	3,249	3,249	5,127
Other payables	16.2	39,490	39,490	4,346
Total		<u>42,739</u>	<u>42,739</u>	<u>9,473</u>
16.1 Clearing accounts				
Salary control account			3,238	5,127
Debt Control Tax Debt			11	-
Total			<u>3,249</u>	<u>5,127</u>
16.2. Other payables				
Pension recoverable account			2,994	4,346
Medsas Account			36,496	-
Total			<u>39,490</u>	<u>4,346</u>
17. Net cash flow available from operating activities				
Net surplus as per Statement of Financial Performance			230,829	140,887
Non-cash movements				
Decrease / (Increase) in receivables – current			27,181	(30,147)
Decrease in prepayments and advances			306	69
Increase in other current assets			(232,061)	(108,327)
Increase/(decrease) in payables – current			33,266	(670,339)
Proceeds from sale of capital assets			(36)	(15)
Surrenders to revenue fund			(185,347)	(96,900)
Expenditure on capital assets			943,133	587,493
Voted funds not requested/not received			-	(11,146)
Net cash flow generated by operating activities			<u>817,271</u>	<u>(188,425)</u>
18. Reconciliation of cash and cash equivalents for cash flow purposes				
Consolidated Paymaster General Account			(897,904)	(775,630)
Cash receipts			1,448	222
Cash on hand			299	1,225
Total			<u>(896,157)</u>	<u>(774,183)</u>





DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2006

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

		Note	2005/06 R'000	2004/05 R'000
19.	Contingent liabilities			
	Liable to	Nature		
	Motor vehicle guarantees	Employees ANNEXURE 2A	969	652
	Housing loan guarantees	Employees ANNEXURE 2A	52,878	56,158
	Claims against the department (Interdepartmental Unconfirmed balances)	ANNEXURE 2B ANNEXURE 6	182,160 17,565	145,256 17
	Total		<u><u>253,572</u></u>	<u><u>202,083</u></u>

The majority of the housing guarantees are covered by the official's pension fund. Based on past experience and information an average of 5% to 8% of medico legal claims lodged is paid out.

20. Commitments

Current expenditure

Approved and contracted	97,191	9,364
Approved but not yet contracted	170,312	447,215
	<u>267,503</u>	<u>456,579</u>

Capital expenditure

Approved and contracted	1,300,947	323,105
Approved but not yet contracted	1,165,754	481,279
	<u>2,466,701</u>	<u>804,384</u>

Total Commitments

	<u><u>2,734,204</u></u>	<u><u>1,260,963</u></u>
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The commitments are for expenditure that is managed by the Department of Works.



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2006

	30 Days R'000	30+ Days R'000	2005/06 R'000	2004/05 R'000
21. Accruals				
Compensation of Employees	-	-	-	163
Goods and services	23,345	9,074	32,419	54,481
Buildings and other fixed structures	25	-	25	-
Machinery and equipment	1,019	74	1,093	17,749
Total	24,389	9,148	33,537	72,393
Listed by programme level				
Administration			15,709	7,177
District Health Services			6,465	17,855
Emergency Medical Services			8	8,251
Provincial Hospital Services			5,573	10,580
Central Hospital Services			1,400	997
Health Sciences and Training			271	-
Health Care Support Services			4,111	1,079
Health Facilities Management			-	26,454
Total			33,537	72,393
Confirmed balances with other departments		ANNEXURE 6	-	24,959
Total			-	24,959

This amount represents goods/services that have been received, but no invoice has been received from the supplier at the reporting date, or an invoice has been received but final authorisation for payment has not been effected on the system.

22. Employee benefit provisions		
Leave entitlement	243,521	229,981
Thirteenth cheque	168,772	156,177
Capped leave commitments	616,468	635,035
Total	1,028,761	1,021,193

The likelihood of paying out the current and previous cycle is minimal as the policy states that leave accrues on 1st January each year and an employee must utilise his leave within 18 months from this date otherwise the leave will be forfeited. Capped Leave is only paid out to employees if they retire.



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2006

	Buildings & Other fixed structures R'000	2005/06 Total R'000	2004/05 Total R'000
23. Lease Commitments			
23.1 Operating leases			
Not later than 1 year	14,674	14,674	7,608
Later than 1 year and not Later than 5 years	20,514	20,514	16,344
Total present value of Lease liabilities	35,188	35,188	23,952
23.2 Receivables for departmental revenue			
Sales of goods and services other than capital assets		43,289	49,171
Pre-Payments to Non Profit Organisations		8,081	-
Provincial Treasury		39,000	-
		<u>90,370</u>	<u>49,171</u>

No of Individuals

24. Key Management Personnel			
Political Office Bearer	1	650	625
Level 15 to 16	4	2,949	2,264
Level 14	25	14,043	7,637
		<u>17,642</u>	<u>10,526</u>

25. Public Private Partnership

Inkosi Albert Luthuli Central Hospital PPP

The Department has in place a public private partnership agreement with Cowslip Investments (Pty) Ltd and Impilo Consortium for the delivery of non-clinical services to the Inkosi Albert Luthuli Central Hospital. The Department is satisfied that the performance of the PPP partners was adequately monitored in terms of the provisions of the agreement.

The Department has the right to the full use of the assets and the consortium may not pledge the assets as security against any borrowings for the duration of the agreement.

The Impilo Consortium is responsible for the provision of the following goods and services:

- supply of Equipment and IM&T Systems that are State of the Art and replace the Equipment and IM&T Systems so as to ensure that they remain State of the Art;
- supply and replacement of Non-Medical Equipment;
- provision of all Services necessary to manage the Project Assets in accordance with Best Industry Practice;
- maintenance and replacement of the Departmental Assets in terms of the replacement schedules;
- provision or procurement of Utilities and Consumables and Surgical Instruments; and
- provision of Facilities Management Services.



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2006

The agreement was concluded with a view to provide the Department with the opportunity to concentrate on the delivery of clinical services at the highest standards in terms of quality, efficiency, effectiveness and patient focussed care.

The Department is responsible for the employment of all healthcare staff and the administration staff, together with the provision of all consumables used in the provision of the healthcare services.

Impilo Consortium is required at its own cost and risk to provide, deliver, Commission, manage, maintain and repair (as the case may be) Project Assets and Department Assets (or part thereof), including the renewal or replacement of Project Assets and Department Assets at such times and in such manner as to enable it to meet the IM&T Output Specifications and the FM Output Specifications; as to ensure that the Department is, at all times, able to provide Clinical Services that fulfil Hospital's Output Specifications using State of the Art Equipment and IM&T Systems; as would be required having regard to Best Industry Practice; and as required by Law.

The replacement of assets over the period of the contract is based on the Replacement Programme which operate on a rolling basis. To that end, at least 1 (one) month prior to the start of each Contract Year thereafter, Impilo Consortium is required to furnish to the Asset Replacement Committee for approval of a revised Replacement Programme.

The assets will only transfer to the Department at the end of the period of the agreement.

The Impilo Consortium has to ensure that, at the end of the Project Term the Project Assets and Department Assets comply with the requirements of the Agreement and are in a state of repair which is sound and operationally safe, fair wear and tear excepted and the items comprising each level of Project Assets specified in the agreement between them have an average remaining useful life not less than one third of the original useful life.

Amendment 2 to the PPP agreement was concluded during December 2005. The main aim thereof was to consolidate various amendments agreed upon since the inception date of the contract and no additional financial implications were incurred as a result of the amendments.

The commencement date of the contract was 4 February 2002, with a final commissioning date for the hospital functions being 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 only for a further year after 15 years.

The agreement requires the Department to pay a monthly service fee as stipulated in the schedule of payments to cover the monthly operational costs for facilities management, provision of information technology services, maintenance of equipment and the supply of equipment related consumables which the consortium is responsible for. The service fee is adjusted monthly for applicable performance penalties in accordance with the provisions of the penalty regime. The Department is also responsible for the payment of a quarterly fee towards the asset replacement reserve. The fees for the year under review were as follows:





**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

	Actual Expenditure: 2005/06 R'000	Commitment for 2006/07 R'000	Payments from 1 April 2007 till the end of the contract R'000
Monthly Service Fee	255,494	208,912	2,243,424
Quarterly Fee	167,093	220,154	1,262,611
TOTAL	422,587	429,066	3,506,035

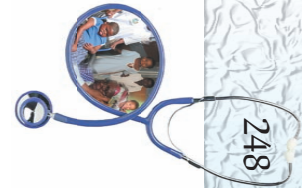
	Actual Expenditure: 2004/05 R'000	Commitment for 2004/05 R'000	Payments from 1 April 2006 till the end of the contract R'000
Monthly Service Fee	241,882	208,249	2,703,958
Quarterly Fee	156,364	132,024	1,341,761
TOTAL	398,246	340,273	4,045,719

Listed below were the expenditure incurred for the current and prior year:

	2005/2006 R'000	2004/2005 R'000
Contract fee paid		
Indexed component	422,587	398,246
Current expenditure		
Compensation of employees	59,346	45,100
Goods and Services(excluding lease payments)	7,191	39,333
Capital/(Liabilities)		
Plant and equipment	45,796	15,297
Other		
Other obligations	(45)	-
Total	534,875	497,976



**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**



ANNEXURE 1 A

STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF GRANT	GRANT ALLOCATION				SPENT			2004/05	
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Amount received by Department	Amount spent by Department	% of Available funds spent	Division of Revenue Act	Amount spent by Department
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Division of Revenue Act									
National Tertiary Services	691,451	-	-	691,451	691,451	691,451	100.0%	619,462	619,449
HIV and AIDS Health	251,468	-	-	251,468	251,468	251,468	100.0%	186,348	187,223
Hospital Revitalisation	128,977	16,962	78,000	223,939	223,939	111,821	49.9%	95,507	78,546
Integrated Nutrition Programme	26,954	-	-	26,954	26,954	26,954	100.0%	24,513	24,513
Hospital Management and Quality Improvement	23,778	-	-	23,778	23,778	19,514	82.1%	15,048	15,794
Health Professions Training and Development	192,373	-	-	192,373	192,373	180,087	93.6%	183,669	183,989
Drought Relief Fund	-	-	-	-	-	-	0.0%	6,100	6,100
Provincial Infrastructure	157,561	-	-	157,561	157,561	157,561	100.0%	127,168	128,459
Coroner Service	-	-	24,976	24,976	24,976	2,624	10.5%	935	940
Total	1,472,562	16,962	102,976	1,592,500	1,592,500	1,441,480		1,258,750	1,245,013



**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

ANNEXURE 1 B

STATEMENT ON CONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT		2004/05
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Transferred	Amount received by municipality	Amount spent by municipality	% of Available funds spent by municipality	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000

Payments in respect of Health Services

Abaqulusi	421	(163)	258	325	126.0%	325	325	100.0%	287
Dannhauser	492	(42)	450	402	89.3%	402	402	100.0%	315
Edumbe	747	273	1,020	712	69.8%	712	712	100.0%	651
Emnambithi	2,309	1,399	3,708	3,710	100.1%	3,710	3,710	100.0%	2,115
Endonsakusuka	825	30	855	856	100.1%	856	856	100.0%	939
Endumeni	1,738	827	2,565	1,549	60.4%	1,549	1,549	100.0%	1,569
Ethekwini	31,724	3,092	34,816	31,224	89.7%	31,224	31,224	100.0%	28,051
Hibiscus Coast	2,591	60	2,651	2,644	99.7%	2,644	2,644	100.0%	2,383
Greater Kokstad	967	(107)	860	1,744	202.8%	1,744	1,744	100.0%	498
KwaDukuza	2,942	545	3,487	3,703	106.2%	3,703	3,703	100.0%	1,747
KZ5A5 Ubuhle	23	1	24	10	41.7%	10	10	100.0%	15
Matatiele	1,032	1,038	2,070	2,040	98.6%	2,040	2,040	100.0%	933
Mooi Mpofana	770	(66)	704	704	100.0%	704	704	100.0%	673
Msunduzi	9,122	(93)	9,029	7,228	80.1%	7,228	7,228	100.0%	6,759
Mthonjaneni	371	(29)	342	342	100.0%	342	342	100.0%	319
Newcastle	1,284	(289)	995	950	95.5%	950	950	100.0%	758
Okhahlamba	641	289	930	790	84.9%	790	790	100.0%	737



**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

ANNEXURE 1 B (Continued)

STATEMENT ON CONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				GRANT ALLOCATION			SPENT		2004/05
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Transferred	Amount received by municipality	Amount spent by municipality	% of Available funds spent by municipality	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Richmond	59		(41)	18	9	50.0%	9	9	100.0%	18
Ulundi	50		(25)	25	9	36.0%	9	9	100.0%	35
Umdoni	1,079		(24)	1,055	1,040	98.6%	1,040	1,040	100.0%	1,001
Umhlathuze	1,559		(11)	1,548	1,779	114.9%	1,779	1,779	100.0%	1,565
Umlalazi	1,212		(109)	1,103	1,136	103.0%	1,136	1,136	100.0%	1,092
Umngeni	1,017		(2)	1,015	1,015	100.0%	1,015	1,015	100.0%	926
Umshwathi	332		8	340	306	90.0%	306	306	100.0%	331
Umthezi	1,297		58	1,355	939	69.3%	939	939	100.0%	780
Umuziwabantu	498		(8)	490	476	97.1%	476	476	100.0%	443
Umvoti	959		310	1,269	881	69.4%	881	881	100.0%	710
Uphongolo	27		(27)	-	-	0.0%	-	-	0.0%	7
Utrecht	20		-	20	-	0.0%	-	-	0.0%	-
Motor Licence										
Department of Transport	119		-	119	606	509.2%	606	606	100.0%	137
Total	66,227	-	6,894	73,121	67,129		67,129	67,129		55,794



**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

ANNEXURE 1 C

STATEMENT ON UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				GRANT ALLOCATION			SPENT		2004/05
	Amount	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Transferred	Amount received by municipality	Amount spent by municipality	% of Available funds spent by municipality	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Payments in respect of RSC										
Levies										
- Ethekwini	8,120		(1,887)	6,233	6,321	101.4%	6,231	6,231	100.0%	5,838
- Umgungundlovu	2,970		92	3,062	3,099	101.2%	3,099	3,099	100.0%	2,860
- Ugu	892		17	909	931	102.4%	931	931	100.0%	838
- Uthungulu	1,465		248	1,713	1,977	115.4%	1,977	1,977	100.0%	1,394
- Umzinyathi	907		4	911	988	108.5%	988	988	100.0%	845
- Indlovu	-		240	240	242	100.8%	242	242	100.0%	192
- Uthukela	654		23	677	686	101.3%	686	686	100.0%	610
- Zululand	1,119		25	1,144	1,192	104.2%	1,192	1,192	100.0%	1,135
- Ilembe	1,016		(245)	771	807	104.7%	807	807	100.0%	636
- Amajuba	741		90	831	840	101.1%	840	840	100.0%	744
- Umkhanyakude	955		(137)	818	881	107.7%	881	881	100.0%	762
TOTAL	18,839	-	(1,530)	17,309	17,964		17,964	17,964		15,854



**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

ANNEXURE 1 D

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENTS /AGENCY/ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2004/05
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Transferred	Final Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
State Vehicles and Rental Car Accident	-	-	-	-	5	0.0%	4
Health and Welfare SETA (Skills Development Levy)	3,563	-	-	-	-	0.0%	6,764
SETA	-	-	-	3,563	-	-	-
Cape Medical Depot Augmentation (PMSC)	7,600	-	-	7,600	7,600	100.0%	-
TOTAL	11,163	-	-	11,163	7,605		6,768



**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

ANNEXURE 1 E

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE 2004/05				
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Capital	Current	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Private Enterprises									
Ekuhlengeni Sanatorium	-	-	-	-	-	0.0%	-	-	44,661
Richmond Chest Special Hospital	-	-	-	-	-	0.0%	-	-	27,418
Total	-	-	-	-	-		-	-	72,709

The Ekuhlengeni Sanatorium and Richmond Chest Spinal Hospital payments were classified to payments to Non-Profit Institutions during the current financial year as the correct classification was unavailable on BAS.



**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

ANNEXURE 1 F

STATEMENT OF TRANSFERS AND SUBSIDIES TO NON-PROFIT INSTITUTIONS

NON PROFIT ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE		2004/05
	Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Transferred	Final Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Subsidies							
Austerville Halfway House	285	-	-	285	285	100.0%	121
Azalea House	311	-	-	311	311	100.0%	128
Bekimpelo/Bekulwandle Trust Clinic	4,000	-	-	4,000	4,000	100.0%	3,756
Benedictine Clinic	225	-	-	225	225	100.0%	211
Charles James Hospital (Santa)	1,809	-	-	1,809	1,809	100.0%	6,808
Cheshire Day Care Centre	198	-	-	198	198	100.0%	62
Cleremont Day Care Centre	238	-	-	238	238	100.0%	74
Day Care Club 91	127	-	-	127	127	100.0%	37
Day Care Club 92	71	-	-	71	71	100.0%	37
Don Mackenzie Hospital	816	-	-	816	208	25.5%	787
Don Mackenzie Santa Med	1,216	-	-	1,216	1,824	150.0%	6,828
Doris Goodwin Special Hospital	1,248	-	-	1,248	1,247	99.9%	4,593
Dunstan Farrel Hospital (Santa)	1,758	-	-	1,758	1,757	99.9%	5,930
Durban School For The Deaf	130	-	-	130	130	100.0%	122
Ekukhanyeni Clinic	123	-	-	123	123	100.0%	116
Elandskop Oblate Clinic	300	-	-	300	300	100.0%	250
Enkumane Clinic	180	-	-	180	180	100.0%	170
Fosa Hospital (Santa)	1,290	-	-	1,290	1,290	100.0%	4,748

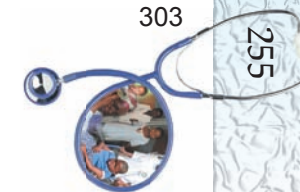


**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

ANNEXURE 1 F (CONTINUED)

STATEMENT OF TRANSFERS AND SUBSIDIES TO NON-PROFIT INSTITUTIONS

NON PROFIT ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE		2004/05
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Transferred	Final Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Happy Hour Amaoti	238	-	-	238	238	100.0%	59
Happy Hour Durban North	127	-	-	127	127	100.0%	20
Happy Hour KwaXimba	119	-	-	119	119	100.0%	35
Happy Hour Mariannahill	127	-	-	127	127	100.0%	27
Happy Hour Mpumalanga	198	-	-	198	198	100.0%	84
Happy Hour Ninikhona	71	-	-	71	71	100.0%	22
Happy Hour Nyangwini	158	-	-	158	158	100.0%	47
Happy Hour Overport	79	-	-	79	79	100.0%	22
Happy Hour Phoenix	63	-	-	63	63	100.0%	10
Hlanganani Ngothando DCC	103	-	-	103	103	100.0%	44
Ikhwezi Cripple Care	864	-	-	864	864	100.0%	418
Ikhwezi Dns	108	-	-	108	108	100.0%	102
Jewel House	144	-	-	144	144	100.0%	77
Joan Tennant House	130	-	-	130	130	100.0%	81
John Peattie House	612	-	-	612	612	100.0%	440
Jona Vaughn Centre	1,476	-	-	1,476	1,476	100.0%	736
Khotsong Santa Centre	-	-	-	-	-	0.0%	781
Lynn House	246	-	-	246	246	100.0%	108
Madeline Manor	756	-	-	756	756	100.0%	407
Masada Workshop	174	-	-	174	174	100.0%	40
Masibambeni Day Care Centre	95	-	-	95	95	100.0%	30
Matikwe Oblate Clinic	320	-	-	320	320	100.0%	303



**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

ANNEXURE 1 F (CONTINUED)

STATEMENT OF TRANSFERS AND SUBSIDIES TO NON-PROFIT INSTITUTIONS

NON PROFIT ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE		2004/05
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Transferred	Final Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
McCords Hospital	42,300	-	-	42,300	100.0%	40,222	
Mhlumayo Oblate Clinic	360	-	-	360	100.0%	340	
Montebello Chronic Sick Home	3,115	-	-	115	3,115	100.0%	2,938
Mountain View Special Hospital	4,315	-	-	4,315	4,315	100.0%	4,041
Noyi Bazi Oblate Clinic	307	-	-	307	307	100.0%	650
Oakford Clinic	-	-	-	-	-	0.0%	481
Pongola Hospital	1,580	-	-	1,580	1,580	100.0%	1,481
Rosary Oblate Clinic	-	-	-	-	-	0.0%	715
Santa Motivators DC (21)	54	-	-	54	54	100.0%	200
Santa Motivators DC (22)	64	-	-	64	64	100.0%	239
Santa Motivators DC (23)	28	-	-	28	27	96.4%	105
Santa Motivators DC (25)	50	-	-	50	50	100.0%	103
Scadifa Centre	594	-	-	594	594	100.0%	308
Siloah Special Hospital	7,200	-	-	7,200	7,200	100.0%	6,665
Sparks Estate	828	-	-	828	828	100.0%	429
St. Lukes Home	342	-	-	342	342	100.0%	176
St. Mary's Hospital Marianhill	56,666	-	-	56,666	56,120	99.0%	51,194
Sunfield Home	90	-	-	90	90	100.0%	55
Umlazi Halfway House	156	-	-	156	156	100.0%	81
Phrenaid	65	-	-	65	65	100.0%	34
Rainbow Haven	252	-	-	252	252	100.0%	154



**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

ANNEXURE 1 F (CONTINUED)

STATEMENT OF TRANSFERS AND SUBSIDIES TO NON-PROFIT INSTITUTIONS

NON PROFIT ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE		2004/05
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Transferred	Final Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
SANTA Motivators DC (29)	27	-	-	27	26	96.3%	100
SANTA Motivators eThekwini	29	-	-	29	29	100.0%	109
Sibusisiwe Home	396	-	-	396	396	100.0%	124
Provincial Aids Action Unit	10,355	-	-	10,355	5,634	54.4%	2,932
Bambanani Clinic	-	-	-	-	-	0.0%	11
St Mary's Kwamagwaza Hospital	-	-	-	-	-	0.0%	3
St Aidans Hospital	-	-	-	-	196	-	336
Richmond Chest	29,326	-	-	29,326	29,182	99.5%	-
Philanjalo Hospice	410	-	-	410	-	-	-
Ekhuhlangeni Sanatorium	47,327	-	-	47,327	46,792	98.9%	-
HO Community Health Workers	-	-	-	-	5	-	-
Expenditure Control	-	-	-	-	(5)	-	-
Total	226,769	-	-	226,769	220,605	-	152,897



**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

ANNEXURE 1 G

STATEMENT OF TRANSFERS AND SUBSIDIES TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2004/05
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Transferred	Final Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Employee Social Benefits – Leave							
Gratuity	28,972	-	-	28,972	33,465	115.5%	27,547
Bursaries	42,262	-	-	42,262	33,638	79.6%	27,678
Acts of Grace	-	-	-	-	5	-	-
Claims against the state	11,336	-	-	11,336	517	4.6%	599
Medico Legal Claims	-	-	-	-	3,519	-	8,779
Donations and Gifts to Household	-	-	-	-	121	-	34
Ex gratia payments	-	-	-	-	-	-	30
Total	82,570	-	-	82,570	71,265		64,667



**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

ANNEXURE 1 H

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED FOR THE YEAR ENDED 31 MARCH 2006

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2005/06	2004/05
		R'000	R'000
Subtotal			
Received in kind			
Prior year donations			6,025
Beckam Coulter	Upgrade of existing Max M Haematology Analyser – Grey's	350	
From Professor Thompson	Donation of a Sharp Microwave Oven - Addington Hospital	1	
From Professor Thompson	Donation of a Salton Toaster – Addington Hospital	-	
Roche Products (PTY) LTD	Upgrade of Symex K4500 Haematology - Analyser – RK Khan	200	
Roche Products (PTY) LTD	Upgrade of Symex K1000 Haemotology - Analyser – Uthukela District	120	
KZN Blindness Prevention Programme		88	
United States Paediatric instrument and the Hairdryer for cataract surgery – Ladysmith Hospital		2	
Grey's Hospital Board	Donation of a microscope to Church of Scotland Hospital	1	
Colgate Palmolive (Pty) Ltd	Donation of Television Set To Grey's Hospital	-	
Statsoft, Southern Africa	Donation of toothpaste and brushes to Oral Health, DOH, Dbn	69	
Dr S.Naidoo	Donation of Statistical Software, Technical Assistance and Training for HIV and AIDS Programme	1	
The Office of National Ministry of Health	Donation of a Video Machine – Prince Mshiyeni M Hospital	7	
Mr .Brener, England	Donation of 2 Television Sets Madadeni Hospital	9	
The Royal Agricultural Society	Donation (Charles Johnson Memorial Hospital)	-	
Moslem Community	Food donations to Townhill Hospital	2	
A.V Msomi	Donation of LG 51 cm Television set – Hlabisa	1	
Street Wire Car Sound & Security	Donation of DVD Player for Newcastle Hospital	-	



**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**



ANNEXURE 1 H (CONTINUED)

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED FOR THE YEAR ENDED 31 MARCH 2006

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2005/06	2004/05
		R'000	R'000
Golden Glo manufacturers	Donation of two air conditioners to Port Shepstone Hospital	-	
Hope For Children	Donation of warm shoes for children and mural painting – Inkosi Albert Luthuli Hospital	4	
Pall Corporation	Donation of Digital Camera and Photo printer - IALCH	4	
Sister Tanjjevelu	Donation of Hi-Fi-System – Port Shepstone Hospital	-	
Michelle Pike	Donation of washing machine – Addington Hospital	3	
Cordis	Donation of a water cooler – Addington Hospital	2	
World Health Organisation	Donation of two Mercer personal computers	12	
Minolta	Donation of Traveller's Bag – Mr M Gasa EMRS Umgungundlovu	-	
Disposable Technologies	Donation of 20 boxes of 500 millimetre-IALCH	2	
Dr C G Winearls	Donation of R2 Gambro AK10 Haemofiltration Machines –Ngwelezane Hospital	40	
Dr Nigel, Livesly	Donation of 2 NIBP monitors – Hlabisa Hospital	20	
Mr S Padayachee	Donation of a wheelchair – IALCH	1	
Staff of ward 13B	Donation of a microwave oven – Addington Hospital	-	
G.J. Crookes Hospital	Authority for donation of old beds not in use	-	
Italian Government	Donations of IT Equipment, Medical equipment and furniture	4,576	
Total		5,515	6,025

Donations <R 1,000 are not denoted on the schedule due to the rounding off of amounts to the nearest R 1,000



**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

ANNEXURE 1 I

STATEMENT OF LOCAL AND FOREIGN AID ASSISTANCE RECEIVED FOR THE YEAR ENDED 31 MARCH 2006

NAME OF DONOR	OPENING BALANCE	REVENUE	EXPENDITURE	CLOSING BALANCE
	R'000	R'000	R'000	R'000
Received in cash				
Local				
Agouron (Pfizer)	178	0	101	77
Astra Zeneca(Astra Zeneca Pharm)	352	0	26	326
Bristol-myers Squibb	0	3,691	3,190	501
Brussels English Primary School	2	0	2	0
Dept Of Water Affairs & Forestry	1,918	0	1,526	392
Hw Seta Learnership Mseleni Mosvold	145	121	151	115
Hw Seta Learnership St Aidans	63	226	289	-
Impumelelo Innovations Trust	47	0	47	-
Smith & Nephew	203	0	203	-
Johnson & Johnson	2	0	2	-
Johnson & Johnson : (Radecation)	0	5	0	5
Mbonambi Municipality	0	10	10	-
Medtronic Africa	10	0	0	10
Orthomedics (Pty)ltd	0	2	2	0
Philips Medical Systems	36	0	0	36
Ramnarain Holdings	1	0	1	0
Reproductive Health & Hiv Research Unit	56	0	55	1
Sabinet Online	0	2	2	0



**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**



ANNEXURE 1 I (CONTINUED)

STATEMENT OF LOCAL AND FOREIGN AID ASSISTANCE RECEIVED FOR THE YEAR ENDED 31 MARCH 2006

NAME OF DONOR	OPENING BALANCE	REVENUE	EXPENDITURE	CLOSING BALANCE
	R'000	R'000	R'000	R'000
SYNTHESES (PTY) LTD	0	20	2	18
ZINC STUDY (NU HEALTH & PFIZER)	44	0	(5)	49
SUBTOTAL : Local	3,057	4,077	5,604	1,530
Foreign				
EUROPEAN UNION PARTNERSHIP	7,251	9,000	15,179	1,072
BELGIUM TECHNICAL COMMITTEE	416	500	331	585
EUROPEAN UNION:SYSTEMS DEVELOPMENT	149	-	149	-
SUBTOTAL : Foreign	7,816	9,500	15,659	1,657
Received in kind				
Foreign				
GENEVA (GLOBAL FUND)	25,763	51,210	71,595	5,378
GRAND TOTAL	36,636	64,787	92,858	8,565

The Geneva Global Fund is managed independently from the Department of Health. A separate bank account is held and is managed by a dedicated Project Manager. The Global Fund is utilised for the combating of HIV / AIDS, TB and Malaria. During the current year R51,210 mil was received, which includes interest earned on unspent cash and R71,595 mil was expensed to various beneficiaries in accordance with the fund.



**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

ANNEXURE J

**STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT
OF GRACE FOR THE YEAR ENDED 31 MARCH 2006**

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of the organisation)	2005/06	2004/05
	R'000	R'000
Paid in cash		
Disabled People Award	-	34
Total	-	34



**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

ANNEXURE 2 A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2006 - LOCAL

Guarantor Institution	Guarantee in respect of	Original Guaranteed capital amount	Opening Balance 1 April 2005	Guarantees issued during the year	Guarantees Released during the year	Guaranteed interest outstanding as at 31 March 2006	Closing balance 31 March 2006	Realised losses i.r.o. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
Motor vehicles								
Standard Bank	Motor Vehicles	969	969	-	-	-	969	-
Total Motor Vehicles Guarantee		969	969	-	-	-	969	-
Housing								
ABSA	Housing	13,884	13,884	532	1,724	-	12,692	-
BOE Bank Ltd	Housing	81	81	-	35	-	46	-
FirstRand Bank Ltd	Housing	15,322	15,322	314	1,372	-	14,264	-
Green Start Home Loans	Housing	59	59	-	14	-	45	-
ITHALA Limited	Housing	1,646	1,646	467	140	-	1,973	-
Nedbank Ltd	Housing	1,241	1,241	2,408	380	-	3,269	-
Old Mutual Bank	Housing	14,170	14,170	227	1,499	-	12,898	-
Peoples Bank Ltd	Housing	2,717	2,717	-	2,271	-	446	-
SA Home Loans	Housing	32	32	19	-	-	51	-
Standard Bank	Housing	8,098	8,098	78	1,084	-	7,092	-
Company Unique Finance	Housing	121	121	-	19	-	102	-
Total Housing Guarantee		57,371	57,371	4,045	8,538	-	52,878	-
GRAND TOTAL		58,340	58,340	4,045	5,234	-	53,847	-



**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

ANNEXURE 2 B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2006

Nature of Liability	Opening Balance 01/04/2005	Liabilities incurred during the year	Liabilities Paid/cancelled/ reduced during the year	Liabilities Recoverable (Provide details hereunder)	Closing Balance 31/03/2006
	R'000	R'000	R'000	R'000	R'000
Claims against the depart- ment					
Medico Legal	145,256	37,619	3,519		179,356
Claims against the State (Transport, Labour, Civil)		3,312	508		2,804
TOTAL	145,256	40,931	4,027	-	182,160



**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

ANNEXURE 3

CAPITAL TANGIBLE ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006

	Opening Balance	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	421,838	-	421,838
Dwellings	-	66,699	-	66,699
Non-residential buildings	-	355,104	-	355,104
Other fixed structures	-	35	-	35
MACHINERY AND EQUIPMENT	-	519,625	-	519,625
Computer equipment	-	50,296	-	50,296
Furniture and office equipment	-	18,023	-	18,032
Other machinery and equipment	-	329,430	-	329,430
Transport assets	-	121,876	-	121,876
LAND AND SUBSOIL ASSETS				
Land	-	920	-	920
TOTAL CAPITAL ASSETS	-	942,383	-	942,383



**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

ANNEXURE 3.1

ADDITIONS MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006

	Cash R'000	In-Kind R'000	Total R'000
BUILDING AND OTHER FIXED STRUCTURES	421,838		421,838
Dwellings	66,699	-	66,699
Non-residential buildings	355,104	-	355,104
Other fixed structures	35	-	35
MACHINERY AND EQUIPMENT	519,625	758	520,383
Transport assets	121,876		121,876
Computer equipment	50,296	12	50,308
Furniture and Office equipment	18,023	9	18,023
Other machinery and equipment	329,430	737	330,167
LAND AND SUBSOIL ASSETS			
Land	920		920
TOTAL CAPITAL ASSETS	942,383	758	943,141



**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

ANNEXURE 3.2

DISPOSALS MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006

BUILDING AND OTHER FIXED STRUCTURES

Dwellings

MACHINERY AND EQUIPMENT

Transport assets

Furniture and Office Equipment

TOTAL CAPITAL ASSETS

Cost/Carrying	Cash	Profit/Loss on Disposals
R'000	R'000	R'000
	6	6
	30	30
	19	19
	11	11
	36	36



**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

ANNEXURE 3.3

PHYSICAL ASSET MOVEMENT SCHEDULE AS AT 31 MARCH 2005

BUILDINGS AND OTHER FIXED STRUCTURES

Dwellings

Non-residential buildings

MACHINERY AND EQUIPMENT

Computer equipment

Furniture and office equipment

Other machinery and equipment

Transport assets

LAND AND SUBSOIL ASSETS

Land

TOTAL CAPITAL ASSETS

Additions R'000	Disposals R'000	Total Movement R'000
221,316	-	221,316
18,047		18,047
203,269		203,269
359,479	-	359,479
3,686		3,686
5,279		5,279
254,906		254,906
95,608		95,608
6,574		6,574
587,369	-	587,369



**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

ANNEXURE 4

CAPITAL INTANGIBLE ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006

BUILDING AND OTHER FIXED STRUCTURES	Opening Balance	Additions	Disposals	Movement
	R'000	R'000	R'000	R'000

Computer Software	-	750	-	750
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ANNEXURE 4.1

ADDITION MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006

	Cash	In Kind	Total
	R'000	R'000	R'000

Computer Software	750	-	750
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ANNEXURE 4.2

CAPITAL INTANGIBLE ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2005

BUILDING AND OTHER FIXED STRUCTURES	Opening Balance	Additions	Disposals	Movement
	R'000	R'000	R'000	R'000

Computer Software	-	124	-	124
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

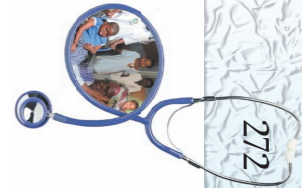
ANNEXURE 5

INTER-GOVERNMENTAL RECEIVABLES

Government Entity	Confirmed balance		Unconfirmed balance		Total	
	31/03/2006	31/03/2005	31/03/2006	31/03/2005	31/03/2006	31/03/2005
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
Agriculture			27		27	-
Economic Development			16		16	-
Safety and Security			5		5	-
Social Welfare			214		214	-
Sports and Recreation			31		31	-
Provincial Treasury			3		3	-
TOTAL			296		296	-



**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**



ANNEXURE 6

INTER – GOVERNMENTAL PAYABLES – CURRENT

GOVERNMENT ENTITY	Confirmed balance		Unconfirmed balance outstanding	
	31/03/2006	31/03/2005	31/03/2006	31/03/2005
	R'000	R'000	R'000	R'000
Amounts not included in Statement of financial position				
Current				
South African Police Services	-	2	263	10
Department of Transport	-	18,209	16,883	-
Department of Housing	-	32	-	7
Department of Water Affairs and Forestry	-	18	-	-
Department of Works	-	6,590	-	-
KZN – Office of the Premier	-	108	-	-
Department of Safety and Security	-	-	13	-
Department of Justice	-	-	406	-
Total	-	24,959	17,565	17





AUDITOR - GENERAL

Annual Financial Statement



KwaZulu-Natal Provincial Medical Supply Centre



**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006***Contents**Page*

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ACCOUNTING OFFICER'S REPORT FOR THE YEAR ENDED 31 MARCH 2006

1. GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS

The Provincial Medical Supply Centre is a trading entity which is incorporated in South Africa.

The principal place of business is : 1 Higginson Highway
Mobeni
4060

The Provincial Medical Supply Centre Trading Entity has shown a trading surplus for R10,473 m for the year ended 31 March 2006. This has mainly been due to the effect of increased trading activities resulting in an annual turnover of R808,962m, being an increase of 17.9% over the prior year. Cost of sales increased by 16.4% for the same period, due mainly to increased inventory purchases, although personnel and administrative expenses also contributed to the increased expenditure, with an overall related increase of 26.9%. Inventory purchase prices did not increase significantly during the period under review.

The main factors contributing to the increase in trading activities were as follows:

- 1.1 Increased distribution of inventories due to the Anti -Retroviral Projects. These were charged directly to the Global Fund until December 2005, and thereafter to a conditional grant until financial year end.
- 1.2 The number of patients serviced again increased dramatically over the previous year, largely due to the increase in the number of clinics currently being serviced. These clinics were previously serviced by the various hospitals.

2. 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 5% - levied on all pharmaceutical items procured by and received at PMSC and thereafter delivered to the institutions.

Surcharge of 4% - levied on all pharmaceutical items by PMSC and delivered directly by the supplier to the said institutions.

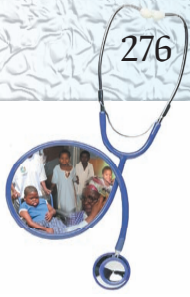
Surcharge of 12% - levied on all pharmaceuticals that involve the use of PMSC Human resources in terms of repacking, manufacturing, etc.

An additional 5% surcharge - levied on items mentioned in (c) above as these are dispatched via the store.

3. CAPACITY CONSTRAINTS

- 3.1 The increasingly limited availability of warehousing has continued to contribute to capacity constraints.
- 3.2 The manufacturing laboratories ceased operations at the end of June 2005 in order to comply with the amended pharmacy regulations.





ACCOUNTING OFFICER'S REPORT FOR THE YEAR ENDED 31 MARCH 2006

4. PERFORMANCE INFORMATION

Listed below is a table containing performance and outcome targets of PMSC, for the year under review:

Objective	Indicator	2005/2006 (Target)	2005/2006 (Actual)
Increase in standard stock Account	Stock level	R80 million	R58.6 million
Adequate working capital to support adequate stockholding	Stock turnover	R700 million	R806 million
Sufficient stock available at end user	Service level	95%	92%

Approval

The annual financial statements set out on pages 278 to 292 have been approved by the Accounting Officer.

Mrs H.G. Harding
Manager: Provincial Medical Supply Centre



**REPORT OF THE AUDITOR-GENERAL TO THE
KWAZULU-NATAL PROVINCIAL LEGISLATURE ON THE
FINANCIAL STATEMENTS OF THE PROVINCIAL MEDICAL SUP-
PLY CENTRE TRADING ENTITY FOR THE YEAR ENDED
31 MARCH 2006**



1. AUDIT ASSIGNMENT

The financial statements as set out on pages 278 - 292, for the year ended 31 March 2006, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 4 and 20 of the Public Audit Act, 2004 (Act No. 25 of 2004). These financial statements are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

2. SCOPE

The audit was conducted in accordance with the International Standards on Auditing read with General Notice 544 of 2006, issued in Government Gazette no. 28723 of 10 April 2006 and General Notice 808 of 2006, issued in Government Gazette no. 28954 of 23 June 2006. 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
- evaluating the overall financial statement presentation.

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

3. AUDIT OPINION

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Provincial Medical Supply Centre trading entity (PMSC) at 31 March 2006 and the results of its operations and its cash flows for the year then ended, in accordance with South African Statements of Generally Accepted Accounting Practice and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999).

4. APPRECIATION

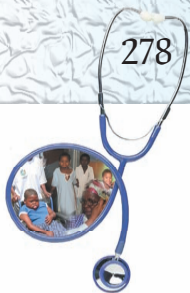
The assistance rendered by the staff of the PMSC during the audit is sincerely appreciated.

H van Zyl for Auditor – General

Pietermaritzburg

31 July 2006





ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2006

1. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies and the disclosures made in the financial statements conform to South African Statements generally accepted accounting practice. The principal policies have been consistently applied in the entity with effect from the 2004/2005 financial year.

2. PRESENTATION OF THE FINANCIAL STATEMENTS

2.1 Basis of preparation

The financial statements are prepared on the historical cost basis.

2.2 Presentation Currency

All amounts have been presented in the currency of the South African Rand .

2.3 Rounding

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

3. REVENUE RECOGNITION

Revenue is recognised when it is probable that future economic benefits will flow to the entity and these benefits can be measured reliably.

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

4. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation.

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

Plant and equipment	16.67%
Vehicles	25.00%
Computer Equipment	33.33%
Furniture and Fittings	16.67%

5. FINANCIAL INSTRUMENTS

Initial recognition and measurements

Financial instruments are recognised when the entity becomes a party to the transaction. Initial measurement is at fair value plus transaction cost if the instrument is not subsequently recognised at fair value. These instruments are measured as set out below:



Trade and other receivables

Trade and other receivables originated by the entity are stated at cost. No provision for doubtful debts has been made as the receivables pertain to the Department of Health and PMSC is a trading entity within the department.

Cash and cash equivalents

Cash and cash equivalents are measured at fair value.

Financial Liabilities

Financial liabilities comprise trade and other payables, which are recognised at cost.

6. INVENTORY

Inventory is valued at the lower of cost or net realisable value. Cost is determined on an average cost basis. Write-downs to net realisable value and inventory losses are expensed in the period in which the write-downs or losses occur.

7. PROVISIONS

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

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long-service leave as a result of services rendered by employees up to the balance sheet date.

8. CONTINGENT LIABILITY

Contingent liabilities have been disclosed as a note to the annual financial statements, in terms of AC109.

9. EMPLOYEE BENEFITS

Post-employee benefits

Retirement

The entity provides a defined benefit fund for the benefit of its employees, which is the Government Employees' Pension Fund. The entity is not liable for any deficits due to the difference between the present value of the benefit obligations and the fair value of the assets managed by the Government Employee's Pension Fund. Any potential liabilities are disclosed in the financial statements of the National Revenue Fund and not in the financial statements of PMSC.





Medical

No contributions are made by the entity to the medical aid of retired employees.

Short and long-term benefits

The cost of all short-term employee benefits, such as salaries, bonuses, housing allowances, medical and other contributions, is recognised during the period in which the employee renders the related service.

The vesting portion of long-term benefits is recognised and provided for at balance sheet date, based on current salary rates.

10. Irregular Expenditure

Irregular expenditure

Irregular expenditure is defined as:

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

- the Public Finance Management Act; Act 1 of 1999
- the State Tender Board Act, or any regulations made in terms of this act; or
- any provincial legislation providing for procurement procedures in that provincial government.

It is treated as expenditure in the Statement of Financial Performance. If such expenditure is not condoned and it is possibly recoverable it is disclosed as receivable in the Statement of Financial Position at year-end.

Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is defined as:

Expenditure that was made in vain and would have been avoided had reasonable care been exercised, therefore

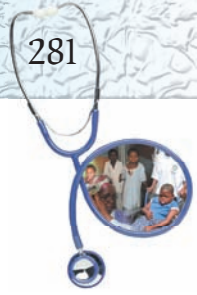
- it must be recovered from a responsible official (a debtor account should be raised); or
- the vote (If responsibility cannot be determined).

Such expenditure is treated as a current asset in the Statement of Financial Position until such expenditure is recovered from the responsible official or written off as irrecoverable.

11. Capitalisation reserve

The capitalisation reserve represents an amount equal to the value held in a suspense account by Department of Health on behalf of the PMSC for the procurement of pharmaceuticals.

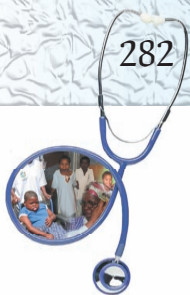




BALANCE SHEET
AS AT 31 MARCH 2006

	Note	2005/06 R'000	2004/05 R'000
ASSETS			
Non-current assets			
Property, plant and equipment	7	747	822
Current assets			
Inventory	8	44,080	60,320
Trade and other receivables	9	32,339	16,660
		76,419	76,980
Total Assets		77,166	77,802
EQUITY			
Capital and Reserves	10	69,073	51,198
Total Equity		69,073	51,984
LIABILITIES			
Non-current liabilities			
Provisions	12	120	33
Current Liabilities			
Trade and other payables	11	7,973	25,785
Total Liabilities		8,093	25,818
Total equity and liabilities		77,166	77,802





INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2006

	Note	2005/06 R'000	2004/05 R'000
REVENUE			
Sale of Goods	1	806,479	686,427
Other Revenue	2	2,483	-
Total Revenue		808,962	686,427
Cost of Sales	3	(775,638)	(666,481)
Gross Profit		33,324	19,946
EXPENDITURE			
Administrative Expenses	4	5,279	4,157
Staff Costs	5	15,966	13,409
Depreciation	7	295	408
Other operating expenses	6	1,311	1,735
Net surplus for the year		10,473	237

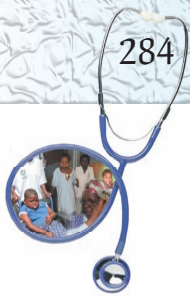




**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2006**

	2005/06 R'000	2004/05 R'000
Accumulated profit		
Balance as at 1 April as originally stated	984	1,770
- Change in accounting policy	-	15
As restated	<u>984</u>	<u>1,785</u>
Net Profit for the year	10,473	237
Transfers to equity	(984)	(1,038)
Balance as at 31 March 2006	<u>10,473</u>	<u>984</u>
Reserves		
Balance as at 1 April as originally stated	51,000	40,400
Transfers to equity	7,600	10,600
Balance as at 31 March 2006	<u>58,600</u>	<u>51,000</u>
Total Equity		
Balance at 1 April as originally stated	51,984	42,170
- Change in accounting policy	-	15
As restated	<u>51,984</u>	<u>42,185</u>
Net profit for the year	10,473	237
Transfers	6,616	9,562
Balance as at 31 March 2006	<u>69,073</u>	<u>51,984</u>





**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2006**

	Note	2005/06 R'000	2004/05 R'000
Cash flows from operating activities			
Cash paid to suppliers and employees	13	(6,395)	(7,405)
Net cash outflows from operating activities		(6,395)	(7,405)
Cash flows from investing activities			
Purchase of Property, Plant and Equipment	14	(221)	(483)
Net cash outflows from investing activities		(221)	(483)
Cash flows from financing activities			
Increase in Reserves		7,600	10,600
Restatement due to change in accounting policy		(984)	(1,023)
Net cash outflows from financing activities	15	6,616	9,577
Net increase in cash and cash equivalents		-	1,689
Cash and bank balances at the beginning of the year		-	(1,689)



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

	2005/06 R'000	2004/05 R'000
1. Sales of Goods		
Pharmaceutical Sales	806,472	686,425
Other	7	2
	<u>806,479</u>	<u>686,427</u>
2. Other Revenue		
Reversal of inventory write down	<u>2,483</u>	-
3. Cost of Sales		
Opening inventory	60,320	43,743
Purchases	759,398	683,058
	<u>819,718</u>	<u>726,801</u>
Less : Closing Inventory	(44,080)	(60,320)
	<u>775,638</u>	<u>666,481</u>
<p>During the prior year courier charges were expensed under other operating expenses. During the year it was decided to incorporate it under the cost of sales. Prior year comparatives have been reinstated to enhance fair presentation of the financial statements.</p>		
4. Administration Expenses		
General and Administrative expenses	5,189	4,088
Travel and Subsistence	90	69
Total	<u>5,279</u>	<u>4,157</u>
5. Staff Costs		
Wages and Salaries		
- Basic salaries	9,485	7,772
- Performance awards	-	3
- Periodic payments	1,758	1,813
- Overtime pay	1,391	1,003
	<u>12,634</u>	<u>10,591</u>
Social contributions (Employer's contributions)		
- Medical	613	494
- UIF	4	4
- Official unions and associations	-	3
- Other salary related costs	3	-
	<u>620</u>	<u>501</u>
Defined Pension benefit plan expense		
- Current service cost	1,233	1,169
Other long-term employee benefits including long-service leave, profit sharing, deferred compensation	1,479	1,148
Total	<u>15,966</u>	<u>13,409</u>
6. Other operating expenses		
Maintenance, repairs and running costs		
- Property and buildings	161	53
- Other maintenance, repairs and running costs	982	453
	<u>1,143</u>	<u>506</u>
Consumables	168	1,204
	<u>1,311</u>	<u>1,735</u>

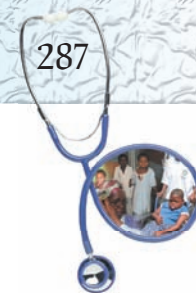
For the prior year, an amount of R24,000 was expensed under Equipment <R5,000. These expenditures pertained mainly to the repairs of the entity assets and as a result the 2004/2005 expenditure has been reclassified.



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

	2005/06 R'000	2004/05 R'000
7. Property, plant and equipment		
Vehicles		
- Gross carrying amount	257	142
- Accumulated depreciation	(136)	(72)
Opening net carrying amount	<u>121</u>	<u>70</u>
Additions	-	116
Depreciation charge	(65)	(65)
Net carrying amount 31 March 2006	<u>56</u>	<u>121</u>
Computer equipment and peripherals		
- Gross carrying amount	509	509
- Accumulated depreciation	(507)	(338)
Opening net carrying amount	<u>2</u>	<u>171</u>
Additions	120	-
Depreciation charge	(40)	(169)
Net carrying amount 31 March 2006	<u>82</u>	<u>2</u>
Office furniture and fittings		
- Gross carrying amount	549	276
- Accumulated depreciation	(182)	(90)
Opening net carrying amount	<u>367</u>	<u>186</u>
Additions	90	273
Depreciation charge	(106)	(92)
Net carrying amount 31 March 2006	<u>351</u>	<u>367</u>
Other Machinery and Equipment		
- Gross carrying amount	493	400
- Accumulated depreciation	(161)	(79)
Opening net carrying amount	<u>332</u>	<u>321</u>
Additions	10	93
Depreciation charge	(84)	(82)
Net carrying amount 31 March 2006	<u>258</u>	<u>332</u>
Total Property, plant and equipment		
- Gross carrying amount	1,808	1,327
- Accumulated depreciation	(986)	(579)
Opening net carrying amount	<u>822</u>	<u>748</u>
Additions	220	482
Depreciation charge	(295)	(408)
Net carrying amount 31 March 2006	<u>747</u>	<u>822</u>
Depreciation charge		
Vehicles	65	65
Computer equipment and peripherals	40	169
Office furniture and fittings	106	92
Other Machinery and Equipment	84	82
Total	<u>295</u>	<u>408</u>





**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

	2005/06 R'000	2004/05 R'000
8. Inventory		
Pre-Packs	423	2,302
CMT	5	9,894
Finished goods	43,652	48,124
Total	44,080	60,320
9. Trade and other receivables		
Trade receivables	-	16,660
Other receivables: Department of Health	32,339	-
Total	32,339	16,660
10. Capital and reserves		
Retained Earnings		
Balance at 1 April as originally stated	984	1,770
- Change in accounting policy	-	15
As restated	984	1,785
Net profit for the year	10,473	237
Transfers	(984)	(1,038)
Balance at 31 March 2006	10,473	984
Reserves		
Balance at 1 April as originally stated	51,000	40,400
Transfers	7,600	10,600
Balance at 31 March 2006	58,600	51,000
Total Equity		
Balance at 1 April as originally stated	51,984	42,170
- Change in accounting policy	-	15
As restated	51,984	42,185
Net profit for the year	10,473	237
Transfers	6,616	9,562
Balance at 31 March 2006	69,073	51,984
11. Trade and other payables		
Trade creditors	6,610	25,785
Accruals	1,361	-
Other payables	2	-
	7,973	25,785

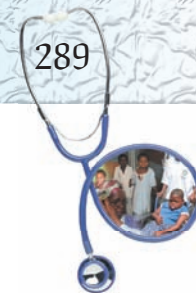


**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

	2005/06 R'000	2004/05 R'000
12. Provisions		
Opening balance	33	47
Unused amounts reversed during the year	-	(14)
Provisions made during the year	87	-
Closing balance	<u>120</u>	<u>33</u>
13. Reconciliation of profit to cash generated from/(utilised in) Operations		
Surplus for the year	10,473	237
Adjusted for:		
Depreciation on property, plant and equipment	295	408
Increase/(decrease) in provisions	87	(14)
Operating cash flows before working capital changes	<u>10,855</u>	<u>631</u>
Working capital changes	<u>(17,250)</u>	<u>(8,036)</u>
- Decrease/(increase) in inventories	16,240	(16,577)
- Increase in receivables	(15,679)	(16,657)
- Decrease in payables	(17,811)	25,198
Cash generated from operations	<u>(6,395)</u>	<u>(7,405)</u>
14. Cash flows from investing activities		
Purchase of Property, Plant and Equipment	<u>(221)</u>	<u>(483)</u>
15. Cash flows from financing activities		
Increase in reserves	7,600	10,600
Restatement due to change in accounting policy	(984)	(1,023)
	<u>6,616</u>	<u>9,577</u>
16. Cash and Cash Equivalents		
For the purposes of the cash flow statement:		
Cash and cash equivalents at the beginning of the year	-	<u>(1,689)</u>
17. Contingent Liabilities		
Housing Guarantees	70	70
Employee Benefit Provision: Capped Leave Commitments	836	810
	<u>906</u>	<u>880</u>



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

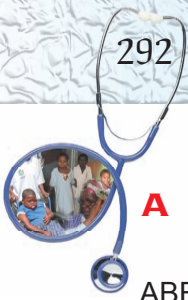


	2005/06 R'000	2004/05 R'000
18. Change in Accounting Policy		
The entity changed its accounting policy in respect of fixed assets. Assets previously expensed are now capitalised in terms of AC123 (Property, Plant and Equipment). The change in accounting policy has been accounted for retrospectively and comparative figures have been appropriately restated. The effect of the change in accounting policy is as follows:		
Increase in accumulated surplus	-	74
Restatement of Accumulated Profit		
Accumulated profit as originally stated	-	1,770
Prior year adjustment	-	15
Net surplus for the year	-	237
Transfers	-	(1,038)
Accumulated profit as currently stated	-	984
19. Closure of manufacturing Division		
The manufacturing division ceased operations at the end of June 2005, in order to comply with the amended pharmacy regulations. Staff from the manufacturing section were redeployed to the entity's anti-retroviral stores. The manufacturing equipment has been made available to hospitals, as hospitals are permitted to manufacture on a needs basis. Overall the closure of the manufacturing division had no major impact on PMSC as a whole.		
20. Impairment of Assets		
The entity did not have any impairment of assets during the 2005/2006 financial years. As a result no impairment losses were recognised in the income statement.		
21. Taxation		
The entity is not liable for any income tax in terms of Section 10(1)a of the Income Tax Act, as amended. The entity is not registered for value added taxation in the Tax Authorities media statement date 27 September 1991, which was subsequently confirmed by value-added tax directive dated 21 January 2003.		



Glossary



**A**

ABET – Adult Basic Education and Training
 ANC – Ante-Natal Clinic
 ANC – Ante-Natal Care
 APP – Acute
 ALS – Advanced Life Support
 ARV – Anti-retroviral
 ASO – Auxiliary Service Officer

B

BFHI – Baby Friendly Hospital Initiative

C

CBO – Community Based Organisation
 CDC – Communicable Disease Control
 CHF – Community Health Facilitator
 CHC – Community Health Centre
 CHW – Community Health Worker
 CMTD – Central Medico-Technical Division
 COHSASA – Council for Health Service Accreditation of Southern Africa
 CPD – Continued Professional Development
 CPS – Central Provincial Store
 DC – District Council

D

DHER – District Health Expenditure Review
 DHS – District Health System
 DOH – Department of Health
 DOTS – Directly Observed Treatment Short Course
 DTP-Hib – Diphtheria, Tetanus and Whooping cough – Hemophilus
 DFID – Department For International Development

E

EAP – Employee Assistance Programme
 ECP – Emergency Care Practitioner
 EDL – Essential Drug List
 EDP – Essential Drugs Programme
 EHP – Environmental Health Practitioner
 EMRS – Emergency Medical Rescue Services
 EPI – Epidemiology Unit
 EU – European Union





F

FBO – Faith Based Organisation
FMS – Financial Management System

G

GIS – Geographical Information Systems

H

HBC – Home Based Care
HDI – Historically Disadvantaged Individual
HIV/AIDS – Human Immuno-virus/Acquired Immune Deficiency Syndrome
HPS – Health Promoting Schools

I

ICU – Intensive Care Unit
IEC – Information, Education and Communication
ISS – Institutional Support Services
ILS – Intermediate Life Support
IMCI – Integrated Management of Childhood Illnesses
IMLC – Integrated Management Labour Committee
INP – Integrated Nutrition Programme
IT – Information Technology
IU – Information Unit

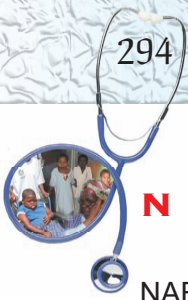
K

KZN – KwaZulu-Natal
KZNPPHC – KwaZulu-Natal Progressive Primary Health Care

M

MCWH – Maternal, Child and Women's Health
MEC – Member of Executive Council
MEDSAS – Medical Supplies Administration System
MEDVAS – Mediese Voorraads Administrasiesetel
MERP – Medical Equipment Replacement Project
MTEF – Medium Term Expenditure Framework
MVA – Manual Vacuum Aspiration





N

NAFCI – National Adolescent Friendly Clinic Initiative
 NGO – Non-Governmental Organisation
 NTBCP – National Tuberculosis Control Programme
 NVP – Nevirapine

O

OPD – Outpatient Department
 OPED – Occupational Post Exposure Prophylaxis
 OT – Operating Theatre
 OTAHU – Operating Theatre Air Handling Unit

P

PAAU – Provincial HIV/AIDS Action Unit
 PAP – Pappinicalau (Snyman)
 PCR – Polymerase Chain Reaction
 PEP – Post Exposure Prophylaxis
 PFMA – Public Finance and Management Act
 PHAST – Participatory Hygiene and Sanitation Transformation
 PHC – Primary Health Care
 PLWA – People Living with AIDS
 PWA – People with AIDS
 PMSC – Provincial Medical Supply Centre
 PMTCT – Prevention of Mother-to-Child Transmission
 PNC – Post-natal Care
 PPIP – Perinatal Problem Identification Programme
 PPP/PFI – Public Private Partnership/Public Funding Initiative
 PSNP – Primary School Nutrition Programme
 PTB – Pulmonary Tuberculosis
 PTDS – Part-time District Surgeons

Q

QA & AU – Quality Assurance and Accreditation Unit
 QAC – Quotation Award Committee
 QEC – Quotation Evaluation Committee

R

R&R – Repairs and Renovations
 RPL – Recognition of Prior Learning
 RTH – Road to Health





S

SMME – Small Medium Micro Enterprises
SPS – Strategic Positioning Statement
STG – Standard Treatment Guidelines
STI – Sexually Transmitted Infections

T

TB – Tuberculosis
TOP – Termination of Pregnancy

U

UPFS – uniform Patient Fees Schedule
USAID – United States Agency For International Development

V

VCT – Voluntary Counselling and Testing
VIP – Ventilated Improved Pitlatrin

W

WHO – World Health Organisation
WSP – Workplace Skills Plan

Z

ZNT – KwaZulu-Natal Tender



Maps

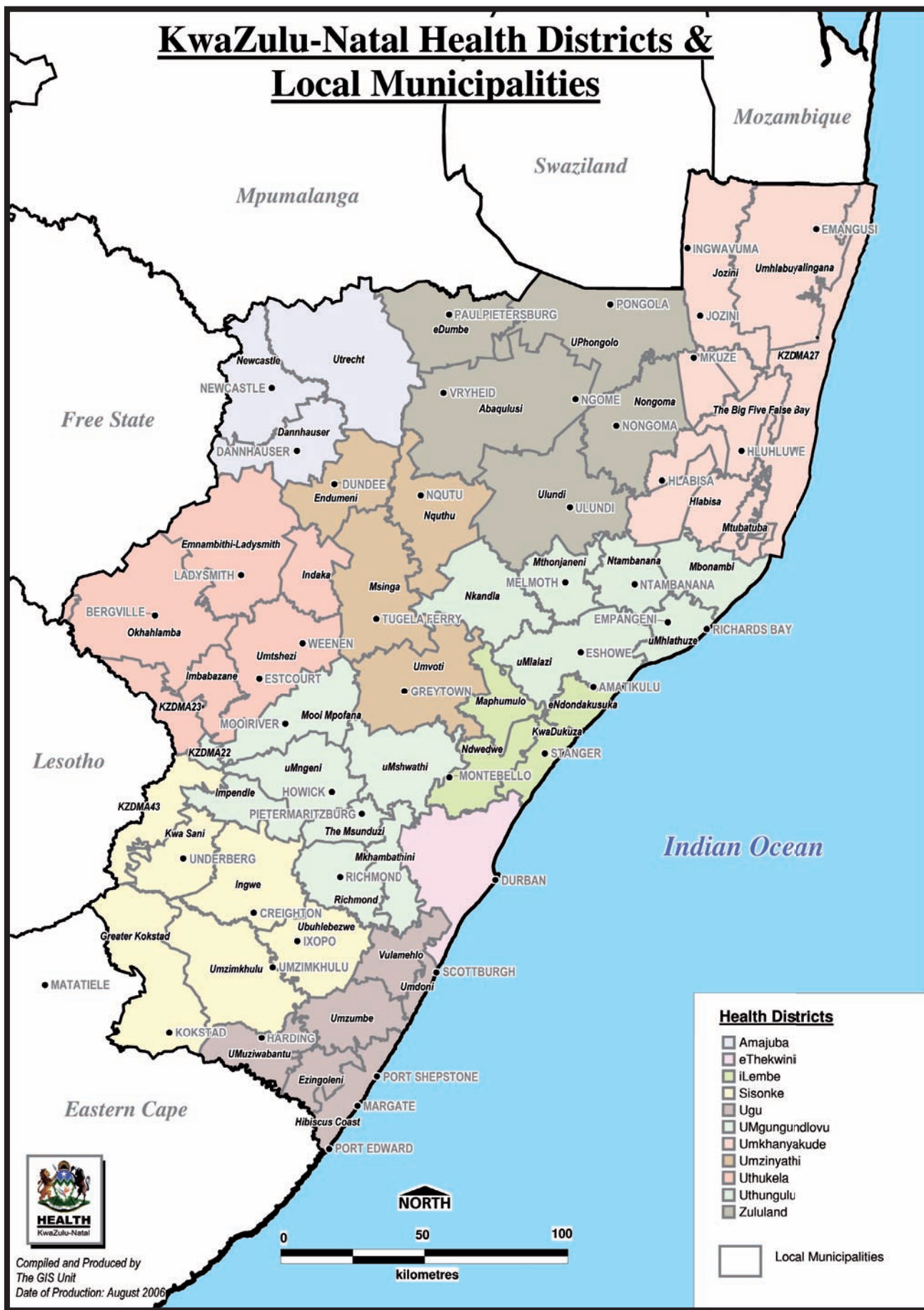




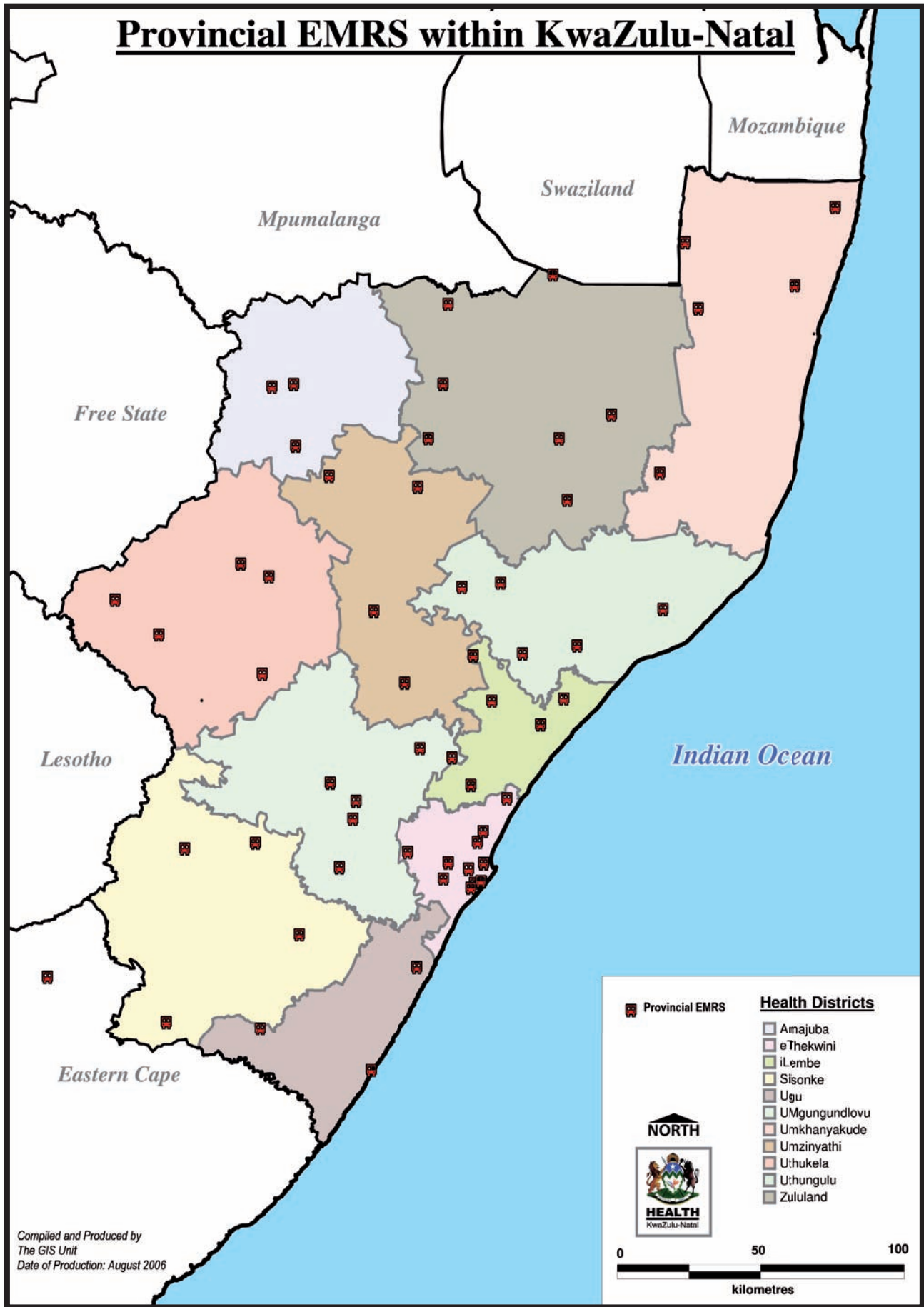


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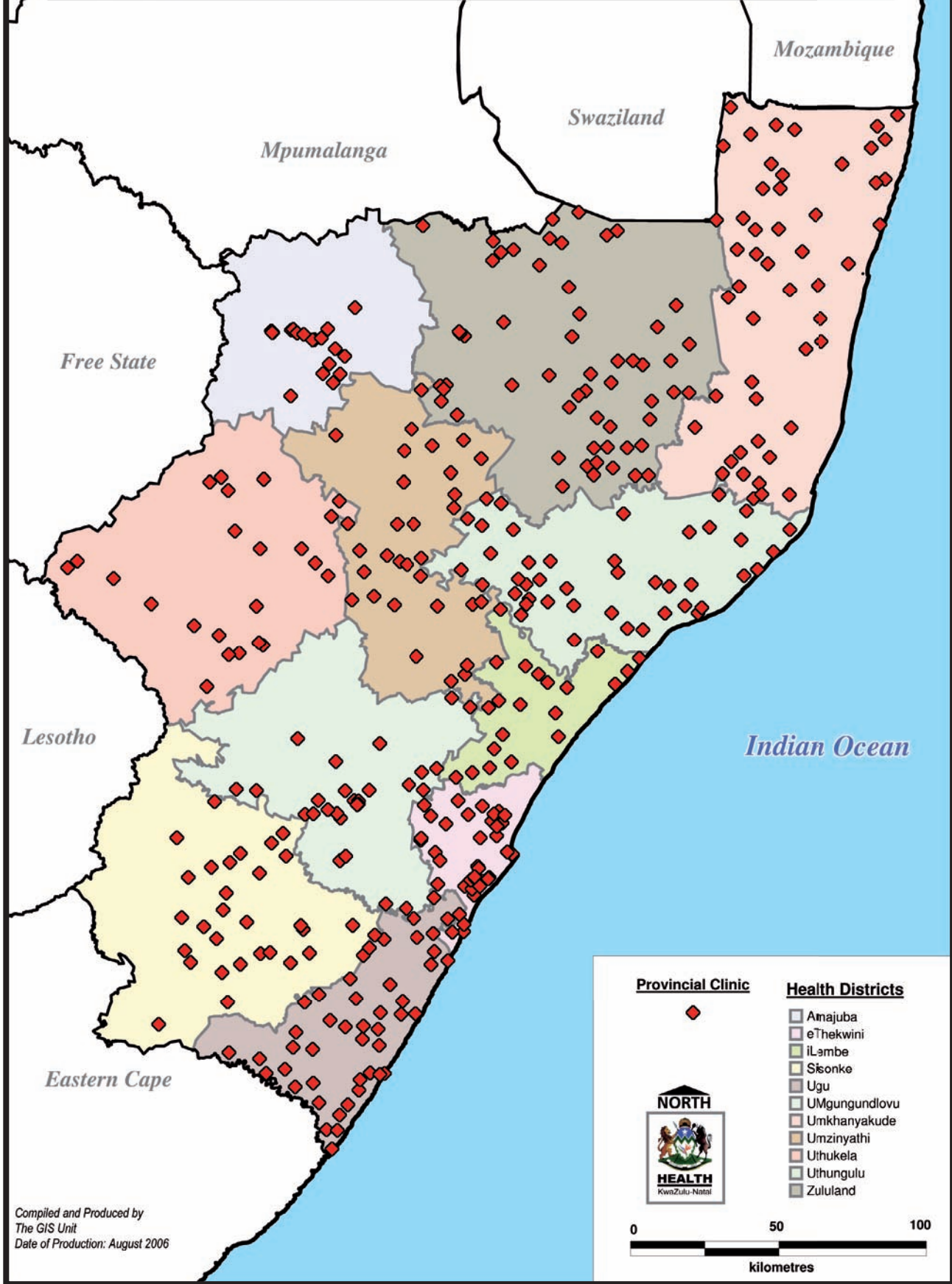








Provincial Clinics within KwaZulu-Natal



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