

Foreword by the MEC for Health



The Annual Report is the vehicle through which Departmental performance is conveyed and provides tangible evidence of the successes and challenges faced by the Department during the 2006/07 financial year.

The Department views its role as being one of *“fighting poverty, fighting diseases and giving hope to the citizens of KwaZulu-Natal”*. The Department made this commitment to the citizens of KwaZulu-Natal in 2006/07 and we are committed to continue to make this rallying cry a realisation through providing accessible health care services to our people.

The Province currently faces the challenges of HIV and AIDS and Tuberculosis. The burden of disease continues to place pressure on our health system. The scourge of communicable diseases in the Province remains and the rising trend in diseases of life style continues against a backdrop of trauma.

We are keeping to our promises made in the “Peoples Contract”. It is our responsibility as a Department to create conditions where people and our staff are able to make healthier choices. The Department is striving to create conditions conducive to a healthier lifestyle for its citizens. I have the greatest confidence that the management and staff will continue to rise to the challenge, embrace change and always remember who we serve. Despite the pressure, under which we function, we will continue to remain committed to service delivery, and work together as a synergistic team to provide better health services to all.

It is with commitment and assurance that I endorse the Annual Report 2006/07.

A handwritten signature in black ink, appearing to read 'N P Nkonyeni', written in a cursive style.

MS N P NKONYENI

**MEMBER OF THE EXECUTIVE COUNCIL:
DEPARTMENT OF HEALTH**

– KWAZULU-NATAL PROVINCE

DATE: AUGUST 2007

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Part A

Strategic Vision

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 Constitution of the Republic of South Africa, 1996 (Act 109 of 1996).**
- **National Health Act of 2003 (Act 61 of 2003).**
- **Mental Health Care Act of 2002 (Act 17 of 2002).**
- **Public Finance Management Act (Act 1 of 1999 and Treasury Regulations).**
- **Public Service Act (Act 103 of 1994), Public Service Regulations and Public Service Bargaining Council Resolutions.**
- **Division of Revenue Act.**

Our Vision

“Achieve optimal health status for all persons in KwaZulu-Natal”.



Our Mission

“To develop and deliver a sustainable, coordinated, integrated and comprehensive health system at all levels, based on the primary health care approach through the district health system.”

Report by the Head of Department



The Annual Report is reflective of the Department's performance over the preceding financial year. It contains extensive detail of the achievements and progress made by the various components within the Department, all of which must be acknowledged with appreciation. It must be emphasised that this report reflects positive achievements as well as challenges experienced, and should serve as a resource base that will enable the Department to strategically articulate future efforts.

During the financial year 2006/07, the Department prioritised the following areas:

- Development of a Service Transformation Plan.
- Strengthening of Human Resources.
- Strengthening Physical Infrastructure.
- Improving Quality of Care.
- Strengthening Strategic Health Programmes.

The Department focused on the implementation of 12 key projects that were identified for MTEF 2006/07 emanating from the five priority areas, namely:

- Improved management of Tuberculosis.
- Accelerated implementation of the Comprehensive Plan on the Management of HIV and AIDS.
- Enhanced Management of Mother and Childhood Illnesses.

- Implemented comprehensive health package for identified "Massification Project Areas".
- Accelerated infrastructure development
- Expanded Community and Home Based Care Workers to respond to the burden of disease.
- Improved Health and Management Information Systems.
- Enhanced Management and Leadership Capability.
- Development and implementation of a Service Transformation Plan.
- Improved Clinical Governance, Batho Pele and Patients' Rights Charter implementation.
- Implementation of developmentally orientated Supply Chain Management and Financial Management Processes.
- Enhanced alignment of Budget with Strategic Plan.

The main purpose for the existence of the Department of Health is to develop and implement a sustainable, coordinated, integrated and comprehensive health system encompassing promotive, preventive, curative, rehabilitative and supportive/palliative care. This is guided by the principles of accessibility, equity, community participation, appropriate technology, inter-governmental – and inter-sectoral cooperation.

The organisational configuration of the Department is the vehicle to ensure effective and efficient health service delivery in pursuance of the objectives set in the Strategic Plan, the Service Transformation Plan and the Annual Performance Plan of the Department.

The Department uses the District Health System as the vehicle to render the main functions of the Department through the Primary Health Care Approach.

During the reporting period the Department continued to align the roles and responsibilities of the different organisational layers of the Department towards the promotion of seamless service delivery.

Through restructuring initiatives the role of the Head Office has been limited to policy making, planning, systems development, procedural design, setting of norms and standards, as well as monitoring and evaluation.

The District Offices have also been restructured and are responsible for developing, coordinating and facilitating the implementation of an effective, efficient, sustainable and integrated health system. Careful consideration has been given to ensure that there is sufficient capacity and readiness in Districts to assume responsibility and accountability for decentralised functions and delegations.

Robust improvements have been prepared in relation to Primary Health Care Services. The package of Primary Health Care Services has also been redefined in line with National Directives and the disease profile of the Province

I am confident that this Annual Report provides a comprehensive overview of the Departmental performance, to enable the Department to strategically articulate future efforts



DR BM NYEMBEZI

HEAD: DEPARTMENT OF HEALTH

- KWAZULU-NATAL PROVINCE

DATE: AUGUST 2007

Part B

Situational Analysis





1. Situational Analysis

1.1 BROAD POLICIES, STRATEGIC GOALS AND PRIORITIES

The Strategic Plan of the Department was developed for the period 2005 – 2009/2010. The Department has been guided by the principles of the Millennium Development Goals (MDG), NEPAD Health Strategy, State of the Nation Address, National Department of Health strategic priorities, the sentiments expressed in the “Peoples Contract”, as well as identified health trends. Additionally, for each Medium Term Expenditure Framework (MTEF) an Annual Performance Plan is developed.

The main purpose for the existence of the Department of Health is to develop and implement a sustainable, coordinated, integrated and comprehensive health system. The Department is also responsible for the implementation of legislative imperatives, national health policies, norms and standards.

Four main categories of services are provided by the Department, namely Primary Health Care (PHC) services, Hospital services, Emergency Medical Rescue Services (EMRS) and Forensic Medical Pathology services.

The Department uses the District Health System as the vehicle to render the main functions of the Department through the Primary Health Care Approach. Certain health services are provided in each District whilst other health services are provided on a provincial basis. Figure 1 (page 4) provides a diagrammatic summary of the District Based Health Services and Figure 2 (page 5) provides a diagrammatic summary for the Provincial Based Health Services.

The Department defined the role of the Head Office as a Strategic Enabler, the role of the Districts as Operational Enablers, and the role of Health Institutions as Implementation Agents.

The role of the Head Office is policy making, planning, systems development, procedural design, setting of norms and standards, and monitoring and evaluation.

The District Offices are responsible for developing, coordinating and facilitating the implementation of an effective, efficient, sustainable and integrated health system.

Whilst the Department subscribes to and adopts the legal prescripts in all its activities, it is nonetheless cognisant of the democratic values and principles enshrined in Section 195 of the Constitution. This includes the following principles:

A high standard of professional ethics.

≈

Efficient, economic and effective use of resources.

≈

Public administration must be development-oriented.

≈

Services must be provided impartially, fairly, equitably and without bias.

≈

People's needs must be responded to and the public must be encouraged to participate in policy-making.

≈

Public administration must be accountable.

≈

Transparency must be fostered by providing the public with timely, accessible and accurate information.

≈

Good human-resource management and career-development practices to maximise human potential must be cultivated.

≈

Public administration must be broadly representative of the South African people.



The Department identified 12 key projects (referred to as the 12 Point Plan of the Department) for the MTEF 2006/07. The main aims of the 12-Point Plan are to contribute towards the achievement of the five national priorities. These are as follows:

Improved management of Tuberculosis (TB).

Strengthened implementation of the Comprehensive Plan on Management of HIV and AIDS.

Enhanced management of mother and childhood illnesses.

Implemented comprehensive health package in identified 'Massification' Project areas.

Accelerate Infrastructure Development.

Expanded Home and Community Based Care.

'Givers pool' to respond to the burden of disease.

Improved Health and Management Information Systems.

Enhanced Management and Leadership Communication.

Development and implementation of the Service Transformation Plan.

Improved Clinical Governance, Batho Pele and Patients' Right Charter implementation.

Implementation of developmental orientated Supply Chain Management and Financial Management processes.

Enhanced alignment of Budget with Strategic Plan.

The Provincial Health Council was established in December 2005 in term of Section 26 of the National Health Act (Act 61 of 2003). The council consists of the Member of the Executive Council (chairperson), one person from each of the Metropolitan and District municipalities, the Head of the Provincial Department and three representatives involved in the management of Local Government. The first Provincial Health Consultative Forum took place in May 2006. Meetings are held on a quarterly basis, such quarters coinciding with the financial year of the Department.

A new Joint Health Establishment agreement was signed in January 2007 between the Department and the University of KwaZulu-Natal. Provision is made in the agreement for the inclusion of three new disciplines namely Pharmacy, Nursing and Optometry. The aim of the Memorandum is to ensure appropriate access to Institutions by the University for training and research, ensure value for money for the Department and engage staff in the delivery of high quality public health services.



Figure 1: District Based Health Services

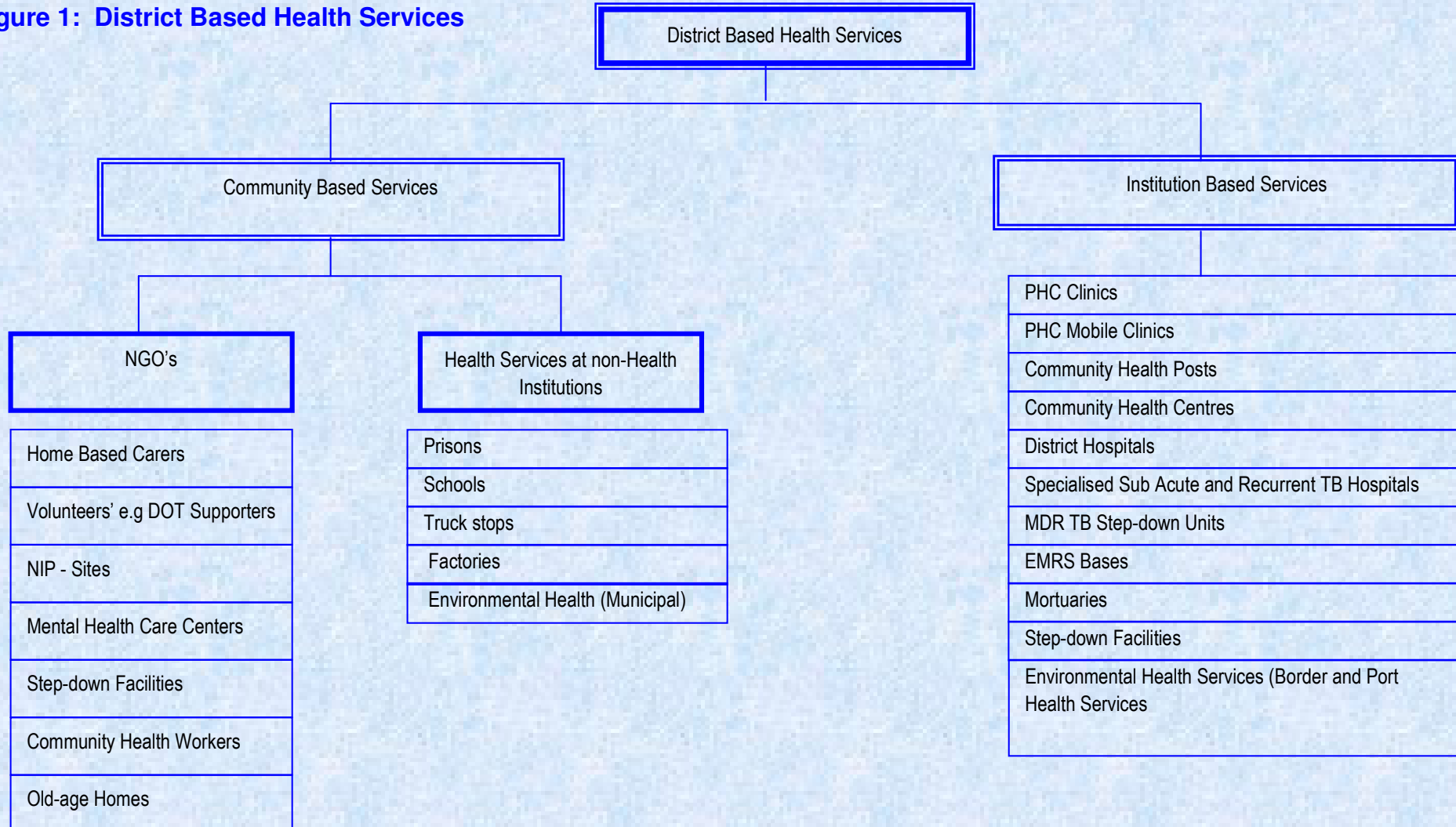




Figure 2: Provincial Based Health Services





1.2. MAJOR DEMOGRAPHIC CHARACTERISTICS

The Province of KwaZulu-Natal is situated in the eastern part of South Africa and is home to 21% of the country's population (refer to Map 1 below).

MAP 1 KwaZulu-Natal Locality Map



The Province shares borders with Swaziland and Mozambique in the North, Mpumalanga in the North-West, Free State and Lesotho in the West and the Eastern Cape in the South. The Northern Districts of Umkhanyakude and Zululand attract patients from Mozambique and Swaziland whereas cross border flows from the Eastern Cape visit health facilities in the Southern Districts of Ugu and Sisonke.

During 2006 the Umzimkhulu Sub-district within the Eastern Cape was incorporated into KwaZulu-Natal and the Matatiele Sub-district of KwaZulu-Natal became part of the Eastern Cape. The resultant additional population to KwaZulu-Natal is 192 200.

The special initiative to support the areas that have been declared by the President as Integrated Sustainable Rural Development areas (Ugu, Zululand, Umkhanyakude, Umzimkhulu, Umzinyathi) were also prioritised. In order to address inequities in terms of service delivery it is important for the Province to focus on the Presidential nodal areas.

Health Districts have been consolidated into three Service Delivery Areas with a General

Manager responsible for each Area (refer to Map 2 below). The Areas are:

Area	Districts
Area 1 - South Eastern	Ugu eThekweni iLembe
Area 2 - Western	Sisonke Amajuba Umgungundlovu Uthukela Umzinyathi
Area 3 - North Eastern	Uthungulu Zululand Umkhanyakude

MAP 2 KwaZulu-Natal

Health Districts per Management Area



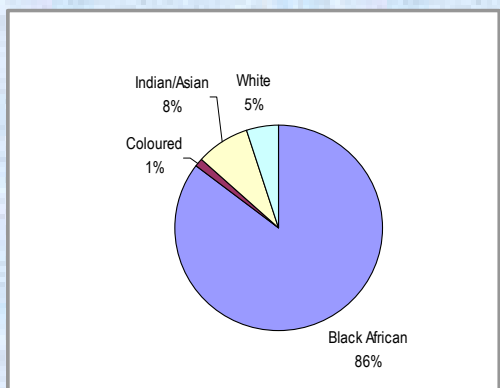
The population of KwaZulu-Natal is 9 924 000 and the average growth rate is 0.73% per annum. Figure 3 summarises the composition of the population in terms of the different population groups.



The Province has ten Districts and one Metropolitan. It is estimated that 54% of the total population live in rural areas and the majority of the rural population is women and children.

The topography of the Province poses unique transport and access challenges with its mountainous terrain, as well as the scattered distribution of homesteads. This combination of infrastructure and topography poses unique transport and access challenges in terms of delivering equitable health services.

FIGURE 3: KwaZulu-Natal Population Groups



1.3 KWAZULU-NATAL POVERTY INDICATORS

A major factor contributing to the increased demand for health care services is the high poverty rate in the Province. 18% of all households have insufficient access to safe drinking water and 16% of all households have inadequate sanitation. Rural areas are faced with the most difficult conditions and are hardest hit by poverty and disease. Traditional homesteads comprise 27% of housing structures in the Province, which is one of the indicators of poverty. Table 1 summarises social demographic characteristics for the Province and compares them to national norms.

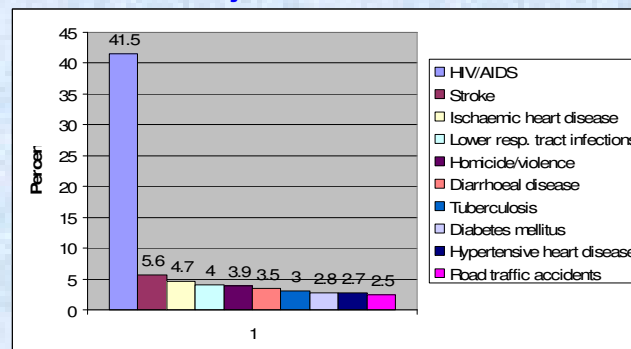
TABLE 1 Social Demographic Characteristics

Characteristics	Province	National
% of population	21%	100%
% Female	53%	52%
% < 5 years	11%	11%
% < 15 years	34%	32%
% > 60	7%	8%
% of population >20 years with no formal education	11%	9.60%
% of population that live on incomes below the poverty line	47%	45%
Unemployment Rate	29.9%	25.6%

1.4 KWAZULU-NATAL HEALTH-CARE PRIORITIES

The major causes of death across all age groups in the Province, for both men and women, is summarised in Figure 4. The data has been obtained from the South African National Burden of Disease Study, 2000.

FIGURE 4: Major Causes of Death



The Province has the highest prevalence of HIV infection in the country and one of the highest in the world. One of the consequences of the HIV and AIDS epidemic has been a large increase in the number of TB cases because of decreased resistance. The high burden of disease which the Province experiences exacerbates the scourge of poverty and places additional pressure on an already strained public health system.

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Table 2: Voted Funds

BUDGET ALLOCATION	2006/07 R'000
Original budget	11,736,761
Rollovers	0
Additional Adjustments	82,490
Final budget appropriated (adjustments budget)	11,819,251
Total expenditure	11,663,951
(Over)/under expenditure	155,300
(Over)/under expenditure (%)	1.3%

The under-expenditure in the above schedule relates to the under-expenditure of the Revitalisation and Forensic Pathology Services Grant

The above expenditure excludes Thefts and Losses of R135 000

Table 3: Sources of Revenue

Sources of Revenue	2003/04	2004/05	2005/06	2006/07	2006/07 (Target)	% deviation from Target
Tax revenue	0	0	0	0	0	0%
Non-tax revenue	125,538	117,369	114,122	111,691	132,216	-16%
Sales of goods and services other than capital assets	120,369	116,915	114,095	111,062	132,172	-16%
Fines, penalties and forfeits		11	6	7		
Interest, Dividends and Rent on Land	5,169	443	21	622	44	1 314
Transfers received	0	0	0	0	0	0%
Sales of capital assets	364	15	36	16	50	-68%
Sales of other capital assets	364	15	36	16	50	-68%
Financial transactions in assets and liabilities	4,728	4,619	23,531	9,582	4,953	93%
TOTAL	130,630	122,003	137,689	121,289	137,219	-12%



Table 4: Departmental Expenditure

Programmes	Voted for 2006/07	Roll-overs and Adjustments	Virement	Total Voted	Actual Expenses	Variance
1. Administration	211,139	-1,283	10,000	219,856	224,900	-5,044
2. District Health Services	5,437,879	-47,785	32,504	5,422,598	5,370,301	52,297
3. Emergency Medical Rescue Services	453,380	6,000	13,000	472,380	474,023	-1,643
4. Provincial Hospital Services	3,086,580	77,253	-20,504	3,143,329	3,138,945	4,384
5. Central Hospital Services	1,173,060	-4,896	0	1,168,164	1,191,810	-23,646
6. Health Sciences and Training	448,856	-3,637	-22,000	423,219	421,069	2,150
7. Health Care Support Services	9,560	20,000	0	29,560	29,560	0
8. Health Facilities Management	916,307	36,838	-13,000	940,145	813,208	126,937
TOTAL	11,736,761	82,490	0	11,819,251	11,663,816	155,435

The above schedule excludes the amount of R135 000 for thefts and losses.

Table 5: Conditional Grants

Conditional Grants	2002/03	2003/04	2004/05	2005/06	2006/07
National Tertiary Services	488,575	551,831	619,449	691,451	732,167
HIV and AIDS	54,470	85,591	187,223	251,468	344,304
Hospital Revitalisation	111,000	34,353	78,546	111,821	225,528
Integrated Nutrition Programme	136,337	176,646	24,513	26,954	0
Hospital Management and Quality Improvement	19,000	16,375	15,794	19,514	0
Health Professions Training and Development	164,755	164,513	183,989	180,087	204,659
Provincial Infrastructure Grant	46,358	70,043	128,459	157,561	174,098
Forensic Pathology Services		65	940	2,624	63,884
TOTAL	1,020,495	1,099,417	1,238,913	1,441,480	1,744,640

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Table 6: Expenditure by budget sub-programme

Programme	2003/04	2004/05	2005/06	2006/07	2006/07	Variance -% under/ (over- expenditure)
	Exp	Exp	Exp	Exp	Revised Budget	
	R'000	R'000	R'000	R'000	R'000	
Programme 1: Administration	154176	162295	192917	224,900	219,856	(2.29)%
Programme 2: District Health Services	3771028	4253689	4924947	5,370,301	5,422,598	0.96%
District management	50409	67053	81393	113,596	107,495	(5.68)%
Clinics	845016	912732	932180	1,027,389	1,031,108	(0.36)%
Community health centres	146254	167027	220615	285,742	282,597	(1.11)%
District hospitals	1992238	2367227	2660326	2,702,998	2,684,535	(0.69)%
Community based services	46566	69438	70977	84,505	84,870	0.43%
Other community services	211105	295711	396607	375,667	376,087	0.11%
Coroner services	65	951	2936	44,840	107,705	58.37%
HIV/AIDS	246701	348537	528093	703,970	716,665	1.77%
Nutrition	232674	25013	31820	31,594	31,536	(0.18)%
Programme 3: Emergency Medical Services	272046	305627	420604	474,023	472,380	(0.35)%
Emergency transport	268074	289981	401178	454,943	443,535	(2.57)%
Planned patient transport	3972	15646	19426	19,080	28,845	33.85%
Programme 4: Provincial Hospital Services	2570991	2513935	2796081	3,138,945	3,143,329	0.14%
General hospitals (regional)	2000181	1946654	2212986	2,405,363	2,399,237	(0.26)%
TB hospitals	251263	242287	230332	314,451	322,675	2.55%
Psychiatric hospitals	258547	266760	295734	334,552	333,980	(0.17)%
Sub-acute, step-down and chronic hospitals	53730	50401	49052	76,140	77,486	(1.74)%

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Programme	2003/04	2004/05	2005/06	2006/07	2006/07	Variance -% under/ (over- expenditure)
Dental training hospitals	7270	7833	7977	8,439	9,951	15.19%
Other specialised	0	0	0	0	0	0%
Programme 5: Central Hospital Services	765370	914324	1068606	1,191,810	1,168,164	(2.02)%
Central hospitals	211704	268529	317398	368,108	366,638	(0.40)%
Provincial tertiary hospitals	553666	645795	751208	823,702	801,526	(2.77)%
Programme 6: Health Sciences and Training	321156	364297	408227	421,069	423,219	0.51%
Nurse training colleges	166794	211031	219498	229,513	231,866	1.01%
EMS training colleges	3395	4619	14786	11,220	12,787	12.25%
Bursaries	42535	27696	33818	24,471	24,475	0.02%
PHC training	41604	39732	49084	39,980	41,750	4.24%
Other training	66828	81219	91041	115,885	112,341	(3.15)%
Programme 7: Health Care Support Services	10400	10600	7600	29,560	29,560	0%
Laundries & Engineering						
Forensic services & Orthotic and prosthetic services						
Medicines trading account	10400	10600	7600	29,560	29,560	0%
Programme 8: Health Facilities Management	347492	425842	736770	813,208	940,145	13.50%
Community health facilities	66081	53785	224420	164,980	201,608	18.17%
EMS	786	687	6410	8,296	8,356	0.72%
District hospitals	86619	148326	238641	330,874	373,139	11.33%
Provincial hospitals	117599	186749	227624	250,336	307,331	18.55%
Central hospitals	58708	0	0	17,610	8,492	(107.37)%
Other facilities	17699	36295	39675	41,112	41,219	0.26%
Total: Programmes	8212659	8950609	10555752	11,663,816	11,819,251	1.32%

Fighting Disease, Fighting Poverty, Giving Hope

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Table 7: Evolution of expenditure by budget per capita sub-programme (constant 2004/05 prices)

	2003/04	2004/05	2005/06	2006/07
Population	9,707,980	9,779,459	9,851,464	9,924,000
% insured	12%	12%	12%	12%
Uninsured population	R8,543,022	R8,605,923	R8,669,288	R8,733,120
Conversion to constant 2005/06 prices	1.08	1.04	1.00	0.96
	Expenditure per capita Uninsured	Expenditure per capita Uninsured	Expenditure per capita Uninsured	Expenditure per capita Uninsured
Programme	R'000	R'000	R'000	R'000
Programme 1: Administration	R19.49	R19.61	R22.25	R23.07
Programme 2: District Health Services	R476.73	R514.05	R568.09	R592.51
Programme 3: Emergency Medical Services	R34.39	R36.93	R48.52	R50.50
Programme 4: Provincial Hospital Services	R325.02	R303.80	R322.53	R347.79
Programme 5: Central Hospital Services	R96.76	R110.49	R123.26	R128.41
Programme 6: Health Sciences and Training	R40.60	R44.02	R47.09	R48.94
Programme 7: Health Care Support Services	R1.31	R1.28	R0.88	R3.25
Programme 8: Health Facilities Management	R43.93	R51.46	R84.99	R104.78
Total: Programmes	R1,038.24	R1,081.64	R1,217.61	R1,299.25

The difference in the figures for previous years relate mainly to the revision of the population figures and constant prices per annum.

Programme 1

Administration





1. PROGRAMME 1: Administration

1.1 AIM

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. This is achieved through the following sub-programmes:

PROGRAMME STRUCTURE

Sub-programme 1.1

Office of the Member of the Executive Council

Ensuring the Departmental policy priorities guiding the strategic plan are aligned with national and strategic priorities.

Sub-programme 1.2

Management

Providing overall strategic leadership, policy formulation, planning, aligned to the legislative mandate.

The Administration Programme comprises two Sub-Programmes, namely: the Office of the Member of the Executive Council (MEC) and Management (Office of the Head of Department). The objective of the Programme is to provide strategic leadership to the Department of Health in line with legislative imperatives and good governance practice. The role of the Programme includes the formulation of policies and strategies in line with relevant National and Provincial priorities, and legislative mandates. The Programme is also responsible for ensuring that systems to support health service delivery are developed. Figure 5 (page 16) displays the Macro Organisational Chart Configuration of Head Office. The new Head Office Structure provides for three Clusters, namely:

Cluster: Integrated Health Services Delivery

Includes two Units, namely:

- Service Delivery Coordination in each Management Area:
 - (Operations Western Service Area,
 - Operations North Eastern Service Area &
 - Operations South Eastern Service Area).
- Infrastructure Development and Clinical Support.

Cluster: Integrated Health Services Development

Includes four Units, namely:

- Tele-health and Information Technology.
- Health Service Delivery Planning, Monitoring and Evaluation.
- Strategic Health Programmes.
- Health Service Policy and System Development.

Cluster: Financial Management

Includes two Units, namely:

- Budget and Supply Chain Management Service.
- Accounting Service.

Head of Department:

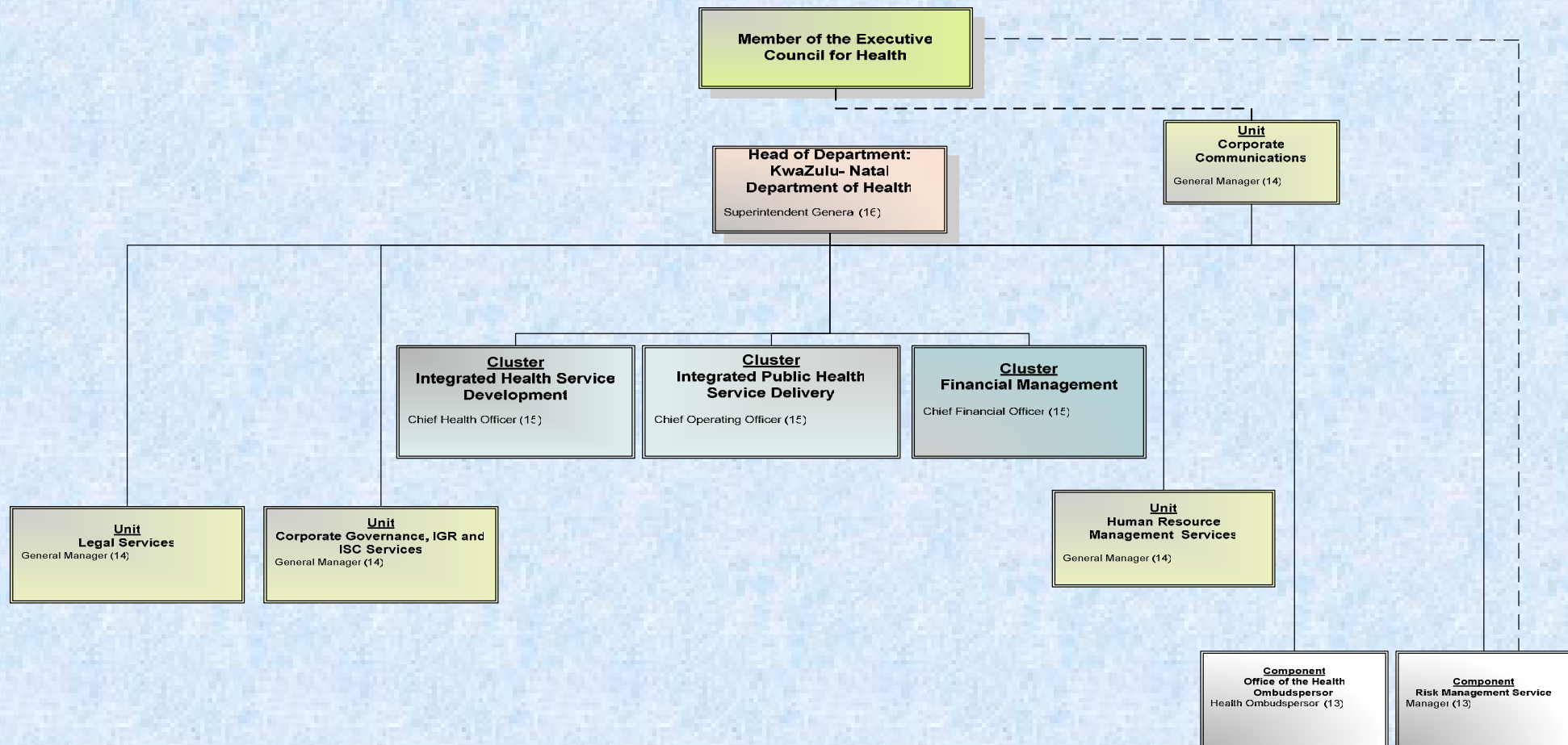
There are also six other organisational components reporting directly to the Head of the Department, namely:

- Corporate Governance, Inter Governmental Relations and Inter-Sectoral Collaboration Service.
- Human Resources Management Service.
- Legal Service.
- Corporate Communications.
- Health Ombudsperson.
- Risk Management Services.

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Programme 1



Figure 5: Macro Organisational Chart Configuration





1.2 ANALYTICAL REVIEW OF PROGRAMME PERFORMANCE

During MTEF 2006/07 the Department commenced with a review of all health and governance policies including transversal human resources and supply chain management policies. The revised policies will be finalised during MTEF 2007/08.

The Department still faces many challenges in terms of the finalisation of transversal human resources management, accounting and supply chain management procedures, monitoring and evaluation arrangements, enabling decentralised decision-making and accountability. The lack of adequate capacity at Institutions to administer the human-, finance- and procurement system is having a negative impact on planning practices and service delivery.

The Department transferred the laboratory services to the National Health Laboratory Services (NHLS) with effect from 1 October 2006. A Service Level Agreement is being entered into which will be monitored by the Department.

The following information summarises the performance of the Head Office Units.

1.3 INFORMATION TECHNOLOGY AND TELEMEDICINE

During the 2006/07 financial year an Agreement was concluded with the Safika Consortium [through the SITA (State Information Technology Agency) SEAT Management Tender] for the replacement of existing computers and printers with leased equipment on a phased basis. Initially computers and printers which were more than 3 years old were replaced. The lease agreement places the full risk on the Consortium in terms of maintenance and support of the equipment. This means that there will be hardware and software/operating system refresh every three years.

Two computers and one multifunction printer were delivered to all Departmental PHC Clinics. These computers will be connected to the VPN via dial-up facilities to enable e-mail and intranet access.

Information technology (IT) infrastructure was also installed into the Capital Towers Building to enable accommodation of staff from Natalia and Medical Chambers Buildings.

The finalisation of the installation of 90 touch-screen kiosks at all Hospitals and Community Health Centres was finalised during this period. Additionally, Microsoft Active Directory has been installed onto 56 of the 86 file servers which were originally purchased for HardCat, and existing e-mail addresses have changed to comply with Provincial and International standards.

Budgetary constraints remained the biggest challenge of the IT Component. There are also delays on the part of SITA in producing invoices for services resulting in the carry-over of expenditure from the previous to the next financial year.

Challenges are also experienced with the lack of standardisation of IT systems. This lack of standardisation can create bandwidth problems as well as user and hardware support issues.

Given the topographical profile of the Province the development and establishment of telemedicine in the Province is a priority. There are 37 ISDN line-based videoconferencing units currently in operation in the Provincial and Academic health sector.

The National Phase One installed 11 Siemens Polycom videoconference units working off 128Kbs ISDN lines. These machines are only able to establish a single connection. The Italian Co-operation donated 6 Sony units which have the capacity to be upgraded to multi-connect units. The Global Fund financed the purchase of an additional 13 Sony units. The Nelson R Mandela



School of Medicine has acquired 7 units which are dispersed at the Teaching Hospitals.

There are 11 districts in the Province and the infrastructure has been deployed, such that in each of the 10 rural districts, 3 hospitals have video conference units. One unit in each district is in the process of being upgraded to a multi-send site (3 connections with 384 Kbs ISDN lines) which will act as the hub in the district. The allocation of the infrastructure has been linked to the Provincial referral pathways which dictate the route a patient will take to ultimately reach an Academic Complex.

Major obstacles to the advancement of telemedicine in the Province include the following:

- Bandwidth and connectivity in the rural areas. There is an urgent need to no longer be reliant on ISDN lines and ADSL for bandwidth.
- The lack of information technology support staff at the peripheral hospitals. Currently support is given by super users who do not have information technology support as part of their job description.
- The lack of computer equipment in peripheral health facilities.
- The lack of electricity and telephone lines in deep rural PHC clinics.
- Inadequate computer skills.
- The lack of diagnostic instruments.
- The inability of medical staff to access the internet or the Web at work. The Department is establishing a virtual network which will address this problem.
- Insufficient training of and buy-in to telemedicine by medical staff. The lack of buy-in is more prevalent at the receiving sites than the referring sites. The University of KwaZulu-Natal is planning to assist the Department of Health in training staff in the use of the infrastructure.

1.4 PHARMACEUTICAL SERVICES

The core function of Pharmaceutical Services is to procure, store and distribute Essential Drug List (EDL) and approved non-EDL medicines in sufficient quantities to meet the medicine-related needs, at all times, of the population of KwaZulu-Natal.

Additionally, the Programme must ensure that medicines are used rationally by prescribers, patients and other health care workers to achieve the goal of optimal health care status for all people in KwaZulu-Natal.

All pharmacies have a pharmacist responsible to the South African Pharmacy Council for ensuring compliance with legislative imperatives. However, in rural areas where there is only one pharmacist, a locum is required to provide back-up.

60% of pharmacies met the requirements for registration with the South African Pharmacy Council.

The availability of EDL medicines at PHC Clinics is 97%. There is still a need for improvement of medicine supply management at these facilities.

The availability of antiretroviral medicines at accredited sites has remained at 100% with no stock-outs recorded. The provision of adequate levels of buffer stock remains a concern.

85% of pharmacies reported an average waiting time of less than an hour. There is a need to develop a standardised monitoring tool to improve the accuracy of reporting.

1.5 CORPORATE COMMUNICATIONS

The Corporate Communications Unit is responsible for the communication imperatives of the Department, which includes media liaison, corporate branding, public relations and events management. In pursuit of this imperative, the



Unit operates in a dynamic and fluid media environment, which poses new challenges that require responsive and innovative interventions.

Challenges faced by the Department regarding communicable diseases have increasingly focussed international media attention on Departmental interventions during 2006/07. There is increasing interest in how the Department is responding to the challenges of TB.

The Department has employed Public Relations Officers (PRO) in Institutions. In an effort to Improve communication. Inputs were also canvassed from all Managers as part of the process of developing a PRO Policy for the Department.

The Department is renowned for the activist approach to the promotion of health programmes (TB, HIV, AIDS, Malaria, MC&WH and STI) and hosted the Health Minister and other Provincial MECs in a TB blitz campaign. The campaign involved the principals visiting: homes, shopping centres and transport stations to educate people about TB. The Department has also played a key role in the Presidential and Premier's Izimbizo Campaigns.

Another key responsibility of the Unit is to ensure that communication within the organisation is strengthened and employees own the Department's programmes.

1.6 HEALTH SERVICES PLANNING, MONITORING AND EVALUATION

The Department established a Unit in May 2006 that is responsible for health services planning, data management, geographical spatial information, research, organisational improvement, monitoring and evaluation. During the 2006/07 financial year the Unit managed the following deliverables:

ensure that the PROs become the grassroots' arm of the Communication Unit and they assist in achieving the Communication goals of the department, quarterly workshops were organised to build PRO capacity.

There is a need to vigorously engage Managers (District and Hospital) in their role of assisting the Unit to meet its objectives. Managers were addressed at a District Manager's Forum on the policies developed in order to assist in providing guidance on the role of co

- Development of a Service Transformation Plan.
- Development of the Annual Performance Plan.
- Development of norms for the creation of health professional posts.
- Submission of four quarterly reports on service delivery indicators to Provincial Treasury, National Treasury and National Department of Health.
- Generic organisational structures for Primary Health Care Facilities.
- Generic organisational structures for Regional and District Hospitals, TB, Psychiatric and Forensic Hospitals.
- Organisational structures for the Management of District Offices.
- Establishment of a Departmental Research and Ethics Committee.
- Development of an Avian Influenza risk model and a generic information system for epidemic outbreaks in preparation for Avian Influenza.
- Developed the framework for a spatially enabled TB XDR Patient Tracking System in the Umzinyathi District.

1.7 CORPORATE GOVERNANCE, INTERGOVERNMENTAL RELATIONS AND INTERSECTORAL COLLABORATION



The Unit: Corporate Governance, Intergovernmental Relations and Intersectoral Collaboration was established in May 2006. This portfolio also includes Corporate Services which was newly established in terms of the Head Office restructuring process.

Since May 2006, a number of improvements were made with regard to Corporate Services and Record and Document Management .

Record and Document Management was a key focus area which culminated in the consolidation of the Personnel and General registries. The provisions of the National Archives Act were implemented and documentation and records were retrieved from all offices in the Head Office. This means that institutional history was preserved and compliance with the legislative prescripts was ensured.

The Unit was also pivotal in the success achieved with regard to the relocation of various units/components to Capital Towers, thus ensuring adequate and appropriate office accommodation.

Improvements were also made with the recruitment processes whereby the turnaround time for the advertising of posts was drastically reduced and finalisation of recommendations of selection committees achieved within a shortened period of 72 hours.

The Unit faced many challenges with regard to interim working arrangements due to the restructuring processes. Notwithstanding this, every effort was made to ensure that office accommodation, parking facilities, cleaning services and security were maintained at a satisfactory level.

1.8 AUDIT LIAISON SUB-COMPONENT

The Risk Management component has performed a transversal function within the Department. 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 sub-component works closely with the Office of the Auditor-General and the Internal Audit Unit of Provincial Treasury in the execution of its duties.

During the 2006/07 reporting period, the Department was subjected to a number of audits by Office of the Auditor-General and the Internal Audit Unit. These audits included audits of the financial statements of both the Department, the Provincial Medical Supply Centre, (a trading entity in the Department), and regularity audits at five institutions. Review audits of the general computer controls of the Meditech System at Addington Hospital and the information system (SAP) at the Inkosi Albert Luthuli Central Hospital were undertaken, as well as a performance audit on the management of Medical Waste

The sub-component had also embarked upon and finalised various risk management initiatives as part of its strategy to combat fraud and corruption. In this regard numerous workshops were conducted in 2006 with the target audience being all officials falling within the management cadre/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 as part of the Departments Strategy in reducing the incidents of fraud and corruption.
- Presentations on Corporate Governance, which incorporated a module on the relevant sections of the Public Finance Management Act.

Further to this the sub-component in partnership with the Internal Audit Unit of the Provincial Treasury, 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.

1.9 BUDGET, SUPPLY CHAIN MANAGEMENT AND ACCOUNTING SERVICES UNITS

The Budget Management and Supply Chain Management Unit component renders budget preparation services. The Accounting Unit renders accounting services to budget holders to ensure that the financial goals and objectives of the Department are achieved.

The accomplishments of the Budget and SCM Unit during the financial year under review were:

- Successfully aligning budget monitoring through a standardised Internal In-Year Monitoring system.
- Training of Finance Managers and their staff on key budget management processes such as Persal-BAS interface, Performance Budgeting, and financial reporting.
- Successfully collaborating with the Unit: Integrated Health Service Delivery Planning and Development to enhance the alignment of the 2007/08 budget to the Departmental strategy.

The Accounting Unit renders accounting services to budget holders to ensure that the financial goals and objectives of the Department are achieved.

Some of the constraints facing the unit have been the delay in the filling of vacant posts as part of the Head Office restructuring process, together with the functioning of BAS at certain periods during the year, which has resulted in challenges in the processing and verification of financial transactions.

Achievements for the Unit during the financial year were:

- The compilation and submission of the Annual Financial Statements of the Department to the Auditor-General's Office by the prescribed date.
- Ongoing monitoring and technical support being provided to institutions in the effective utilisation of monetary resources.
- Ongoing enhanced revenue management in the direct submission of claims to medical schemes and statutory bodies in meeting with the prescribed compliance criteria.

The banking services function devolved from the Provincial Treasury with effect from 01 February 2007, whereby the Department of Health has the autonomy in controlling its own provincial bank account for the first time.

1.10 FORENSIC PATHOLOGY COMPONENT

During the preceding financial year the major project undertaken by this component was the transfer of the mortuary function from the South African Police Services (SAPS) to the Department. The transfer occurred on 1 April 2006 and was finalised by 31 August 2006. The Department has now assumed full responsibility for the medico-legal mortuaries.

1.11 HUMAN RESOURCE MANAGEMENT SERVICES

The Unit is responsible for the development of human resource management policies and the rendering of technical support to strengthen service delivery. It is also responsible for the monitoring and evaluation of the implementation of human resource management policies, strategies and systems; the maintenance of sound labour relations and the promotion of discipline; and people development.

During the financial year, the guidelines for the fulfilment of policies and the human resource delegations were reviewed. Bursaries to the



value of R26 275 669 were awarded in Health Science fields.

1.12 LEGAL SERVICES UNIT

The Legal Services Unit is responsible for providing legal advisory and litigation support services transversally in the Department. Legal advisory services include legislative services, contract drafting services and general ad hoc legal advisory services. Litigation support services ensure that all litigation for and against the Department is effectively managed.

One of the major constraints facing the unit has been the lack of trained professional staff. This is being addressed in the filling of a number of posts within the component as part of the head office restructuring process.

A major achievement for the unit is the drafting of the KwaZulu-Natal Health Bill as part of the Premier's Rationalisation of Laws Project in the Province.

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Table 8: Performance against targets from 2004/05 Strategic Plan for the Administration Programme

Objectives (Outputs)	Indicator	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 Strategic Plan Target
CORPORATE COMMUNICATIONS						
To provide efficient and effective communication, support in line with the Departments core functions.	Number of managers who have received training in media relations.	-	50	75	100	100
	Number of PRO's who attended all training sessions.	-	50	50	50	50
	Number of media briefings and workshops per annum.	-	1	4	4	4
To market the Department's programmes and activities.	Number of campaigns undertaken.	4	4	4	4	4
To strengthen intersectoral relations and community participation.	Annual Health Indaba.	-		1	1	1
	Imbizo per area per National Imbizo Focus Week.	-	1	6	12	12

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Objectives (Outputs)	Indicator	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 Strategic Plan Target
EPIDEMIOLOGY AND HEALTH INDICATOR UNIT						
To compile an epidemiological profile of the Province.	Review of published data.	Burden of disease analysis.	Stats SA data analysed.	Latest Stats SA mortality statistics for the Province analysed and published.	Ongoing literature review.	Ongoing literature review.
	Analysis of mortality data.	12 % of mortality data. Hospital Survey.	Ongoing literature review. Publish results in Epidemiology bulletins.			
To establish and maintain research collaboration: National and International Institutions.	Partnerships with national and international institutions.	Partnerships with Africa Centre and Italian Cooperation.	Partnerships with Africa Centre and Italian Cooperation.	Partnership established with other organisations.	Partnership ongoing and participation in research agendas of institutions.	Partnership ongoing and participation in research agendas of institutions.

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Objectives (Outputs)	Indicator	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 Strategic Plan Target
To establish and participate in Provincial Information Committee and Epidemic Preparedness Committee.	Participation in committee meetings.	New Committee.	Provincial Information Committee.	Improve the functioning of the Provincial Information Committee. Assist in the setting up of epidemic preparedness committees.	Regular committee meetings.	Regular committee meetings.
FINANCIAL MANAGEMENT						
To ensure that all the finance systems and budgetary processes are aligned to the core functions of the Department and enhance equity.	An equitable and aligned budget.	80%	85%	88%	90%	90%
To implement disciplined and competent financial and revenue administration systems.	An effective, efficient, disciplined and competent financial process at institutions.	60%	85%	88%	80%	90%
FORENSIC AND BIO-ETHICAL SERVICES						
Establishment and development of forensic Pathology Services in KwaZulu-Natal.	Extent to which infrastructure, facilities, human resource and training has been provided.	0%	10%	30%	62%	60%

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Objectives (Outputs)	Indicator	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 Strategic Plan Target
INFORMATION TECHNOLOGY						
To acquire, install and maintain computer equipment, systems and networks in order to support service delivery in the Department.	Ensure the successful replacement of PC's.	0%	10%	0%	25%	50%
	% of clinics with 2 PC's and 1 printer.	5%	8%	10%	100%	80%
	Number of tele-health sites with tele-conference centres.	14	17	36	37	46
	Number of hospitals with Health Care Management Information System.	2	3	2	2	5
To develop a Master Systems Plan (MSP) that will guide the implementation of information systems and technology in the department.	Finalisation of the Master Systems Plan.	0%	0%	0%	0%	MSP finalised.
	Upgrading of remedy Action Request System (ARS).	0%	0%	0%	50%	50%
	To ensure connectivity to Home Affairs System for registration of births.	0%	0%	50%	75%	75%
	To provide Internet access in hospitals.	0%	0%	0%	10%	10%
	To implement an IT infrastructure in the Capital Towers building.	0%	0%	0%	100%	100%
	To standardize IT services in Municipal clinics.	0%	0%	0%	20%	20%

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Objectives (Outputs)	Indicator	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 Strategic Plan Target
	To upgrade data lines & network infrastructure to provide for all the new systems in all hospitals.	0%	0%	0%	40%	40%
To train and support personnel on office systems (COTS) to meet the needs of the Department.	Number of personnel trained in COTS software.	3,500	4,350	7,004	4,821	21,500
To ensure the promotion of IT as a communication resource in support of service delivery.	Number of touch screen kiosks installed in hospitals and CHC's.	0	2	30	90	90
	Number of Servers with Microsoft Active Directory and new e-mail addresses.	0	0	0	56	80
LABORATORY SERVICES						
Accessible and sustainable support services for TB microscopy, anti-retroviral treatment and cervical screening programme.	Number of functional TB microscopy centres.	34	31	33	Transferred to NHLS	33
	% of facilities providing a 48hr TAT.	60%	80%	90%	Transferred to NHLS.	100%
	% of facilities participating in proficiency testing.	-	10%	40%	Transferred to NHLS.	60%
Human Resource training and capacity development.	Number of managers trained and capacitated in management, leadership and supervision.	35	40	45	Transferred to NHLS.	60
	Number of staff accessing accredited training programmes.	21	95	100	Transferred to NHLS.	120

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Objectives (Outputs)	Indicator	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 Strategic Plan Target
Continuous quality improvements.	Improvement in collection of specimens from peripheral facility to labs.	60%	70%	80%	Transferred to NHLS.	90%
	Improved quality of service number of labs on SANAS programme.	-	-	2	Transferred to NHLS.	4
	Improved performance on EQA programme	85%	90%	90%	Transferred to NHLS.	95%
Provide support to the comprehensive management of HIV and AIDS.	Extent of support <ul style="list-style-type: none"> • CD4 testing. 	-	6	16	Transferred to NHLS.	20
	<ul style="list-style-type: none"> • Viral load testing 	-	2	3	Transferred to NHLS.	4
	Quality management system for VCT sites. % VCT sites on EQA programme.		-	40%	Transferred to NHLS.	60%
LEGAL SERVICE						
To strengthen and maintain a competent & functional litigation section.	Baseline and analysis of litigation trends to all components in the Department.	Not measured.	40%	60%	60%	80%
Ensure compliance with the Legislative framework to reduce the risk of litigation.	Establishment of a compendium of all legislation and policy documents.	Not measured.	40%	60%	30%	80%

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Objectives (Outputs)	Indicator	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 Strategic Plan Target
Ensure the provision of a comprehensive Legal Advisory Service to the Department.	All decisions taken are in line with applicable legislative and policy prescripts.	Not measured.	40%	60%	70%	80%
To strengthen and maintain effective and efficient contract management	A functional system in place.	Not measured.	40%	60%	70%	80%
OMBUDSPERSON						
To implement an effective mechanism for the management of complaints.	% complaints received and acknowledged within 3 days.	70%	75%	80%	80%	80%
	% complaints processed within 30 days.	74%	75%	80%	80%	80%
PHARMACEUTICAL SERVICES						
Ensure that a pharmacist accountable to the SA Pharmacy Council (Responsible Pharmacist) is in place in every pharmacy.	% of pharmacies with a Pharmacist.	56%	76%	100%	100%	100%
Ensure that all pharmacies comply with legislation.	% of pharmacies achieving 100% compliance.	Not measured.	nil	60%	60%	80%
Monitor availability of medicines at PHC clinics.	Availability of Tracer medicines.	98%	97%	98%	97%	100%
Improve waiting times at Pharmacies.	% of pharmacies with average waiting time less than one hour.	Not measured.	Not measured.	80%	85%	85%

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Objectives (Outputs)	Indicator	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 Strategic Plan Target
PRIVATE HOSPITALS						
Ensure that all pre registration of new facilities and changes or extensions to existing facilities made.	Notice of finding submitted to Hospital Management.	100%	100%	100%	100%	100%
QUALITY ASSURANCE AND ACCREDITATION						
Assess quality of service delivery in line with norms and standards.	% of hospitals compliant with set norms and standards.	35%	40%	45%	69%	60%
Monitor implementation of infection control policies and procedures.	% of facilities with effective infection control programmes.	-	30%	60%	30%	65%
Institute quality measurement systems in health facilities.	% of facilities with quality measurement systems.	-	50%	65%	50%	75%
RISK MANAGEMENT SERVICES						
To create a safe and secure environment throughout the department						
• Information security.	% Compliance by all staff.	Not measured	Not measured	Not measured	Not measured.	30%
• Personnel security.	No. of vetted officials.	Not measured	Not measured	Not measured	Not measured.	100
• Physical security.	Completion of physical security audits at institutions.	Not measured	Not measured	Not measured	Not measured.	150
• Document security.	Extent of compliance with various legislative prescripts.	Not measured	Not measured	Not measured	Not measured.	Create awareness on document security.

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Objectives (Outputs)	Indicator	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 Strategic Plan Target
• IT and computer security.	IT and computer security policies being implemented.	Not measured	Not measured	Not measured	Not measured.	Assess the level of compliance with policies.
• Communication security.	Level of awareness of staff.	Not measured	Not measured	Not measured	Not measured.	Assess the level of awareness of staff.
• Safety management.	Availability of action plan for safety.	Not measured	Not measured	Not measured	Not measured.	Assess plans and offer advice on safety
• VIP protection.	Adherence to VIP protection norms and standards.	Not measured	Not measured	Not measured	100%	Implement and monitor VIP security.
To ensure the effective management of all audit matters.	The extent to which all queries have been resolved in the Department.	100%	100%	100%	100%	100%
	The achievement of unqualified audit opinions.	Unqualified audit opinion.	Unqualified audit opinion.	Unqualified audit opinion.	Unqualified audit opinion.	Unqualified audit Opinion.
To promote a risk free administrative environment conducive to service	% of institutions where risk assessments conducted.	15% of institutions.	30% of institutions.	60% of institutions.	80% of institutions.	80% of institutions.

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Objectives (Outputs)	Indicator	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 Strategic Plan Target
delivery.	Extent of implementation of risk mitigation strategies.	100% of all identified risks.	100% of all identified risks.	100% of all identified risks.	100% of all identified risks	100% of all identified risks.
To foster a culture of detection and prevention of fraud, corruption, theft And maladministration.	Fully functional anti-fraud helpline.	Not measured.	Not measured.	60%	70%	80%
	Success rate in terms of cases investigated and prosecuted both departmentally and criminally.			<ul style="list-style-type: none"> • 17 criminal • 4 Convictions • 13 pending • 61 call centre • 13 finalised • 48 Pending 	Not measured.	30%
SUPPLY CHAIN MANAGEMENT						
Establish and maintain an integrated Supply Chain Management system throughout the KwaZulu-Natal Department of Health.	SCM policy, structure and delegations approved and implemented.	-	-	40%	60%	60%
	% institutions covered for training sessions on SCM.	-	-	50% of all institutions	70%	70% of all institutions
	Procurement plans completed to guide in the acquisition of goods and services.	-	-	40%	60%	60%

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Objectives (Outputs)	Indicator	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 Strategic Plan Target
	Accurate and up to date asset register maintained.	-	-	50%	50%	60%
	Policies, processes and systems for the safeguarding of assets and for inventory control.	-	-	40%	20%	50%
Implement systems and processes to promote emerging businesses throughout the department.	% of total business awarded to emerging enterprises.	-	-	+9%	80%	+50%
	Strategic sourcing guidelines for targeted procurement formulated and implemented.	-	-	+9%	50%	+50%
	% of total business awarded to SMME's.	-	-	+9%	55%	+50%
	% of total business awarded to cooperatives.	-	-	+5%	50%	+50%
	% of business awarded to persons with disabilities.	-	-	0	20%	+20%
	Business awarded to companies owned by the "youth".	-	-	0	35%	+30%
	Business awarded to companies from rural areas.	-	-	+9%	50%	+50%
	Business awarded to companies owned by women.	-	-	+9%	50%	+50%

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Objectives (Outputs)	Indicator	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 Strategic Plan Target
Ensure community awareness on business opportunities in the Department.	Number of awareness campaigns conducted.	-	-	40	50	50
	Increase % of targeted groups participating in the procurement process of the department.	-	-	25%	80%	30%
Establish systems to support procurement of goods and services (data bases).	Data base established to support the procurement of goods and services.	-	-	-	40%	40%
TRANSPORT AND OFFICE SERVICES						
Ensure improved Transport Management at all institutions.	Degree of compliance of prescripts and policies.	Not measured.	40% compliance achieved.	60%	Not measured.	80%
Improving the Record Management Systems at Head Office.	Compliance with legislative prescripts.	Not measured.	0%	20%	Not measured.	50%
Ensure effective office service management at Head Office.	Improvement of:					
	• Office accommodation.	25%	30%	40%	75%	65%
	• Parking facilities.	20%	50%	70%	75%	100%
	• Cleaning services.	-	20%	60%	70%	80%
	• Tele-communication services.	75%	80%	85%	90%	90%
	• Printing facilities.	40%	75%	80%	85%	90%

Programme 2

District Health Services





1. PROGRAMME 2: DISTRICT HEALTH SERVICES

1.1 AIM

PROGRAMME DESCRIPTION

To render comprehensive, integrated and sustainable health care services (preventative, promotive and curative) based on the PHC Approach through the DHS.

PROGRAMME STRUCTURE

Sub-programme 2.1 District Management

Delivery of integrated, efficient, effective and sustainable health services based on the PHC Approach in each District.

Sub-programme 2.2 Community Health Clinics

Rendering of compassionate, designated, integrated, effective and efficient PHC services, which fall under the scope of practice of a Professional Nurse. The services are rendered at Fixed PHC Clinics, Mobile Points and NIP Sites (Drop-In Centres). It includes outreach services and community based health care.

Sub-Programme 2.3 Community Health Centres

Rendering of a broad range of outpatients and PHC services falling under the scope of practice of a General Practitioner and a Professional Nurse inclusive of accident/emergency/midwifery services but excluding surgery under general anaesthesia.

Sub-Programme 2.4 Community based health services

Rendering of community based health care services at non-health facilities in respect of home based care, abuse victims, mental care, chronic care, and school health. This sub-programme renders counselling, rehabilitative services and growth monitoring of children under 1 year. Additionally they provide treatment support for TB, Anti Retroviral Therapy, Chronic Diseases and Mental Health.

Sub Programme 2.5:

Other community Health Services

Rendering of Environmental and Port Health services including hazardous substances, inspection of the quality of water, sanitation, and storage, labelling, preparation and selling of food substances. Environmental Health Services also ensures responsibility for control of abattoirs, dairies, air quality and pollution and ports of entry

Sub Programme 2.6 HIV & AIDS

Rendering PHC services related to the comprehensive management of HIV and AIDS. This includes maintenance of the Prevention of Mother to Child Transmission (PMTCT) Programme, the PEP programme for rape survivors and staff, and the Voluntary Counselling and Testing (VCT) and Anti Retroviral (ARV) programmes.

Sub Programme 2.7: Nutrition

Rendering of integrated, sustainable and community driven direct and indirect nutrition services aimed at the most vulnerable groups in communities.

Sub Programme 2.8: Coroner Services

Provision of an effective and efficient forensic pathology and forensic medical service in order to establish the circumstances and causes surrounding unnatural death

Sub Programme 2.9: District Hospitals

Rendering of a designated range of diagnostic, curative and in-patient services, mostly under the scope of a General Practitioner. Designated procedures are performed regularly under general anaesthesia. Global Fund: The department currently does not have a budgetary item dedicated to the Global Fund. Funds are managed as part of the Donor funding outside the Departmental accounting system.



District Management.

Community Health Clinics including mobile services.

Community Health Centres.

Community Based Services.

District Hospitals.

1.2 DISTRICT MANAGEMENT

The District Offices have been defined as the **Operational Enablers** between the Head Office and all Health Institutions. Clear reporting and accountability lines for Hospitals, Community Health Centres, PHC Clinics, EMRS and Forensic Mortuary Services have been defined. Dedicated capacity to focus on district level inter-governmental and inter-sectoral issues affecting health service delivery has been developed. Organisational arrangements have been put in place to limit operational involvement by District Offices as far as possible.

Provision has been made for dedicated capacity to integrate, oversee and strengthen health programme service delivery by Institutions, as well as adequate capacity to effectively deal with District Planning, Monitoring, Evaluation and Information Management in each District. Duplication and the high cost involved to provide corporate support services have been addressed by the establishment of a Corporate Service Centre to support the District Office, the District EMRS and the Forensic Medical Pathology Services in each Health District in terms of human resources, financial and supply chain management administration.

The functions of the District Offices have been defined as follows:

- Support the Head Office through the management and coordination of operational activities to ensure that service delivery is in accordance with the objectives of the Department's Strategic and Services Transformation Plans as well as other policy imperatives.
- Ensure through inter-sectoral collaboration that issues related to health determinants falling outside the functional mandate of the department (clean water, sanitation, environmental hygiene, poverty and infrastructure development, etc.) is adequately addressed as part of the IDP process.
- Manage and coordinate the implementation of departmental policies and systems by Institutions.
- Consolidate the prescribed planning processes of Institutions to ensure that Work Plans are aligned to the departmental plans and adequately address district specific health/disease profiles and needs.
- Ensure the equitable distribution of resources within the District, including interaction with other District Offices to eliminate duplication and ensure the optimal utilisation of scarce resources and specialised equipment.
- Monitor, evaluate and report on the performance of the District in the delivery of health services against norms, standards and targets identified in operational Work Plans and the Policy Framework of the Department.
- Harmonise the activities of Institutions and stakeholders ensuring optimal impact in addressing the specific health needs of the District.
- Identify district specific transversal service delivery barriers and develop innovative solutions through a team approach/facilitate processes to ensure that issues (prioritised) falling outside the responsibility domain of



the District Office are well motivated for intervention at strategic level.

- Interact with district stakeholders to mobilise support for the delivery of health services in the District.
- Facilitate processes to ensure that prescribed governance arrangements are optimally supporting health service delivery in the District.
- Manage contractual and service level agreements to ensure value for money.

Figure 6 (page 40) diagrammatically illustrates the structure of the District Office, whilst Figure 7 (page 41-42) provides insight into the District Office components and sub-components.

1.3 POLICIES

The National Health Act, 2003 and the Annual Performance Plan of the Department informs the development of the District Health System and reporting requirements.

1.4 PRIORITIES AND STRATEGIC GOALS

To increase access to health care services through implementation of the Service Transformation Plan.

To implement the results based monitoring and evaluation system at district level.

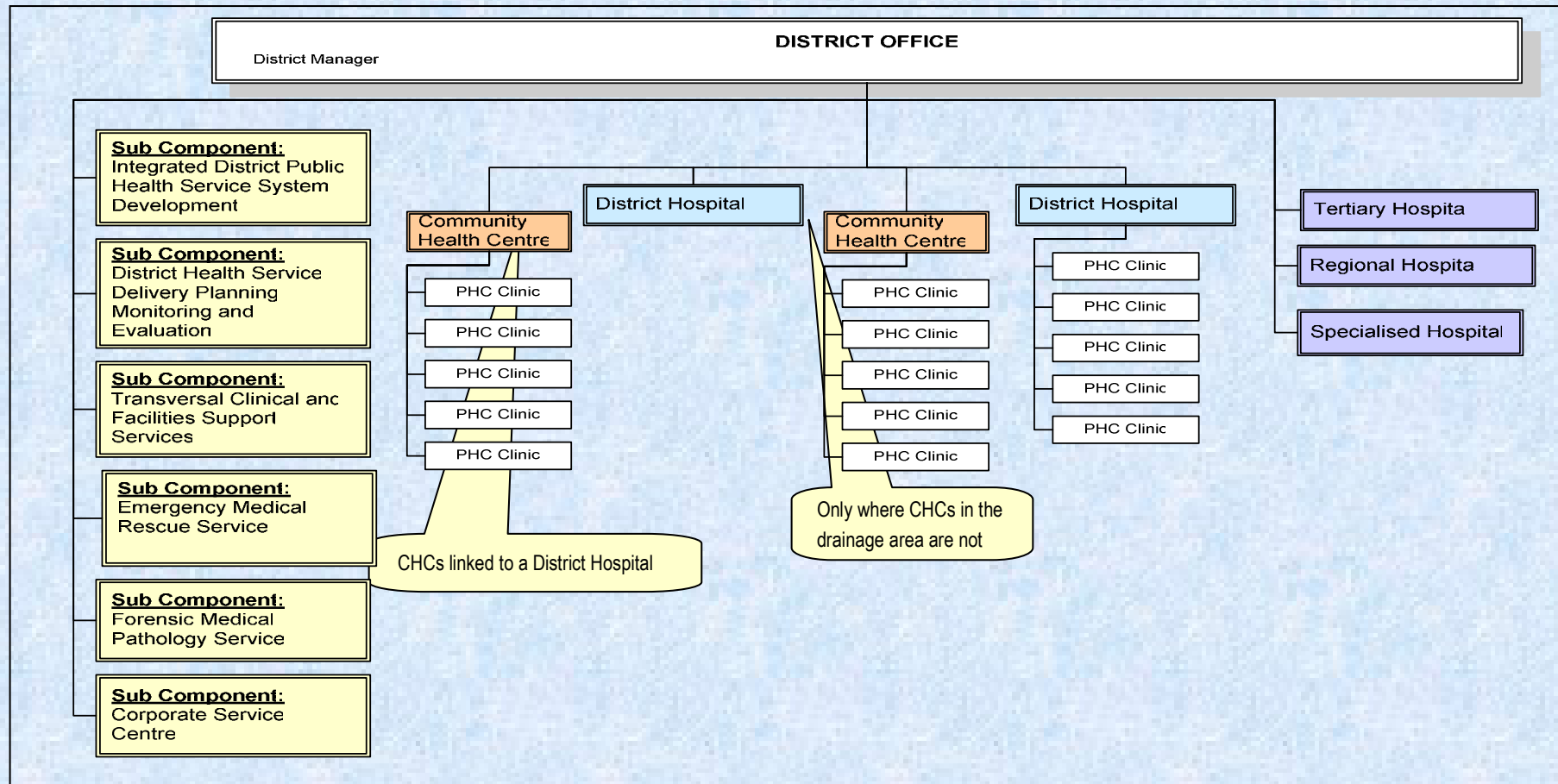
To strengthen PHC services through the implementation of the Service Delivery Plan.

To improve the quality of health care.

To continue to improve governance and management within the District Health Services



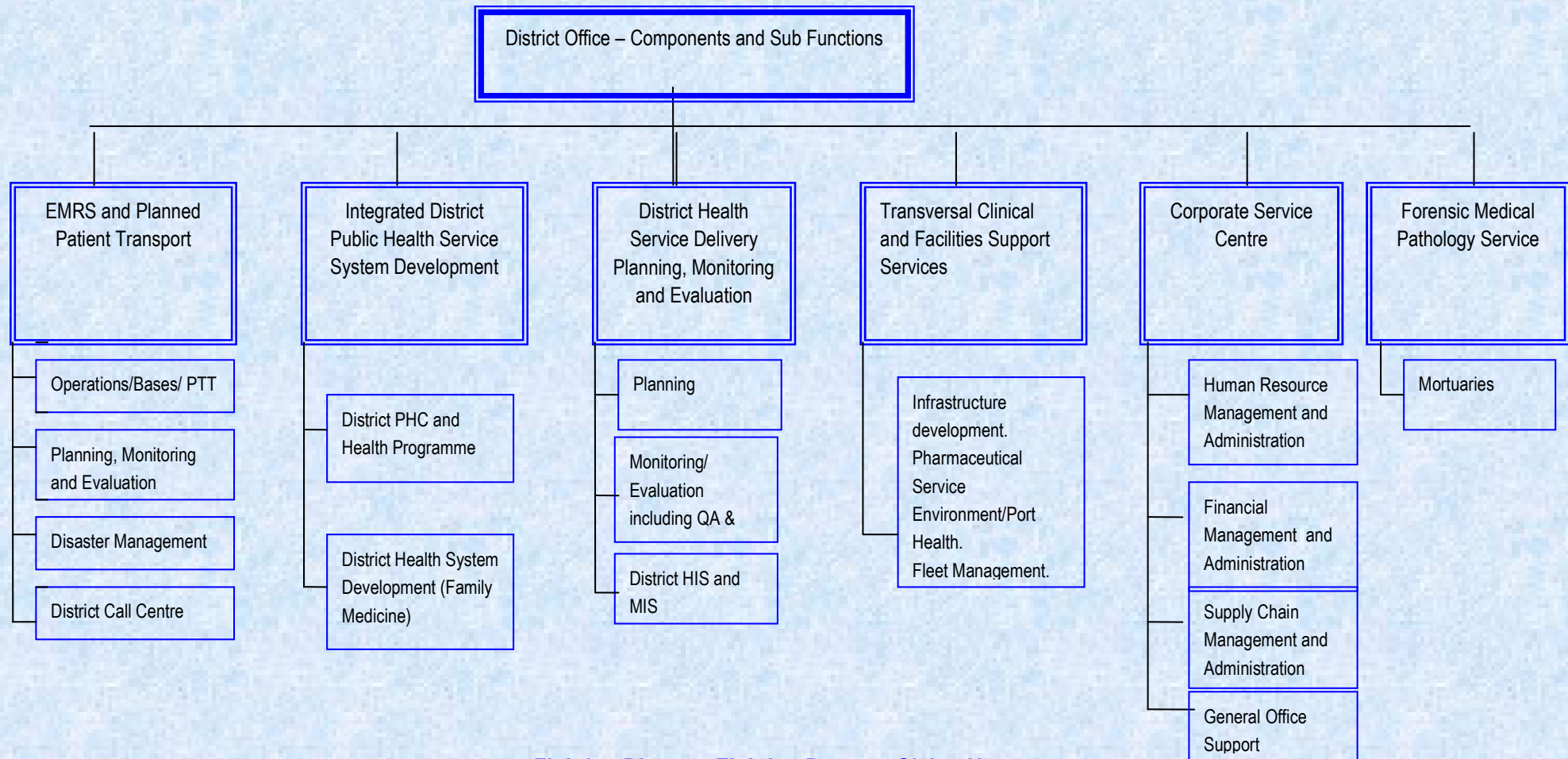
Figure 6: District Office Structure



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Figure 7: District office Components and Sub-functions





1.5 ANALYTICAL REVIEW OF PROGRAMME PERFORMANCE

1.5.1 CHRONIC DISEASES AND GERIATRICS

The Chronic Diseases and Geriatric Development Programme ensures the implementation of various health interventions to effectively and efficiently manage chronic and geriatric diseases in all public health facilities in the Province. The purpose of the Programme is to decrease morbidity and mortality associated with Chronic Diseases.

The Programme focuses on the sub-programmes:

Chronic Diseases, Geriatrics and the Prevention of Blindness. The training of Cataract Surgeons is a priority to ensure that the cataract surgery rate is increased. The implementation of National guidelines will improve the management of chronic conditions. Cataract outreach programmes are providing the vehicle through which partnerships with the private sector are improving.

1.5.2 COMMUNICABLE DISEASE CONTROL (CDC)

The Communicable Diseases Programme deals with emerging and re-emerging infectious diseases that require constant vigilance. The Province is host to the country's main industrial ports, has porous borders and is an international tourist destination, which requires highly responsive Epidemic Preparedness Plans and adequate resources. Routine surveillance of notifiable diseases is therefore a key facet of the Programme to prevent outbreaks of disease. Routine and mass immunisation campaigns are the key drivers to ensure successful outcomes.

The CDC Programme ensures the implementation of various health interventions to effectively and efficiently manage communicable diseases in all public health facilities and in the communities of KwaZulu-Natal.

Provincial and District Emergency Response Plans and Teams are in place, which includes a "24-hour flash reporting system" to ensure a prompt response to suspected outbreaks.

Investigation of reported outbreaks has been maintained at 100%. Short response times of less than twenty four hours results in outbreaks being controlled early.

Role players in all Districts have been trained in epidemic preparedness, response and management of outbreaks of all priority communicable diseases (i.e. Food borne diseases, Water borne diseases, Rabies and other epidemic prone diseases).

A draft influenza pandemic preparedness plan has been developed with all role players. Guidelines for Rabies, Viral Haemorrhagic fevers as well as fact sheets and frequently asked questions for priority diseases have also been developed and posted on the intranet.

Despite poor reporting by facilities on Notifiable Conditions, the surveillance system has been regular in weekly reporting. However, there have been software problems that need to be addressed by the National Department of Health.

1.5.3 ENVIRONMENTAL HEALTH CONTROL

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

- Malaria Control
- Port Health
- Control of Hazardous Substances

Constraints in terms of funding allocated by National Treasury to District and Metropolitan have resulted in slow progress in the transfer of Municipal Health Services (MHS) function from the Provincial Health Department to District and Metropolitan Municipalities.



1.5.4 HEALTH PROMOTION PROGRAMME

The Health Promotion programme continues to promote and facilitate the acceleration of Healthy Lifestyle interventions throughout the Province. The main priorities that were implemented during this year focussed on the promotion of Healthy Lifestyles in Schools, Hospitals, PHC Clinics and in the Communities.

Effective health promotion implementation requires sustained collaboration and integration of various role players and sectors and this remains the most difficult challenge to overcome.

The Health Districts have been successful in obtaining the commitment and involvement of the educators and parents in the implementation of the Health Promoting Schools programme and as a result 17 schools were launched during 2006/07.

Health literacy programmes continue to be implemented via the use of the electronic media, print media and at health awareness events held in the communities.

1.5.5 MATERNAL CHILD AND WOMENS HEALTH PROGRAMME

Child Health

The Province reported five (5) positive Measles cases in 2006. These cases were isolated and not a result of an outbreak. The Measles / Polio Campaigns which were previously held every four (4) years, will now be conducted every three (3) years to ensure elimination of Measles and eradication of Polio

A Polio campaign was held in October 2006. The campaign targeted children between 0-59 months and a 95.4% coverage was achieved. 45 Acute Flaccid Paralysis cases were reported. This is below the target of 66 for the population of KwaZulu-Natal. 76 Adverse Events Following Immunisation (AEFIs) were reported.

The Reach Every District Strategy (RED) aims to increase immunisation, growth monitoring and

Vitamin A coverage, and has been introduced to two (2) Districts within the Province.

18 Integrated Management of Childhood Illness courses (IMCI) have been offered, and 75% of all PHC clinics have at least 1 person IMCI trained.

Maternal and Neonatal Health

During the reporting period 312 maternal deaths were reported. All deaths were assessed in a confidential manner and then forwarded to the National Department of Health for inclusion in the "Saving Mothers Report". 25 hospitals are implementing the Perinatal Problem Identification Programme (PPIP)

Women's Health

The Provincial Cervical Cancer Screening Policy and Implementation Guidelines and training manuals were disseminated in all Districts. A new strategy (Each One Teach One) to prevent cervical cancer was introduced in all Districts. This resulted in an increase of 6,000 Pap smears in 2006/07.

Two Districts have Service Level Agreements with private service providers to improve access to Termination of Pregnancy (TOP) services whilst preparations occur for public health facilities to render the service.

It is concerning that contraceptive acceptors have declined steadily since 2003, with a decrease of more than 50% for female acceptors under 18 years. The high teenage pregnancy rate and HIV infection rate increase the challenge of improving contraceptive services.

Adolescent Health

The development of Youth-Friendly Services is pivotal in ensuring that services and health information are accessible. The teenage pregnancy rate (for under 18 years) is 440/1 000



in KwaZulu-Natal, with a birth rate of 9.4%, and approximately 29% of contraceptive acceptors are women below 18 years of age.

KwaZulu-Natal has 117 services implementing the National Youth-Friendly standards and criteria towards accreditation. 39 Services achieved accreditation status, of which 7 were gold and 32 silver standard awards. 43 groundBreakers, trained and monitored by loveLife, are attached to these accredited services to assist with the community out-reach programme.

School Health

100% of Districts offer the full School Health Services package as prescribed in the School Health Policy. The Nurse/Learner ratio of 1/5,483 is less than the National norm of 1/7,000. The total school coverage of 53% also exceeded the Annual Target of 40%. Primary school coverage is 35%, with approximately 115,000 learners screened for health barriers to learning. An integrated training package was developed and 64 School Health Nurses completed the training. Integrated health checklists for Educators were developed and introduced during 2 school health weeks (October and March) to improve access to health care. A Parasite Control project reached 810 schools, 7,290 Educators and 36,976 learners. 550 Schools started their own programmes and 180 started food gardens.

A total of 322 schools were visited by multi-disciplinary teams during the October school health week with full participation from the Department of Education.

A partnership with the International Centre for Eye Care Education commenced in February 2007. This partnership aims to screen all Grade 1 - 7 learners this financial year.

Post Exposure Prophylaxis

50 Hospitals and 7 Community Health Centres provide Non-Occupational Post Exposure Prophylaxis to sexual assault survivors, with 34 crisis centres attached to Hospitals. Late reporting (i.e. more than 72 hours after sexual assault) or no reporting of incidents still jeopardises the service.

Children under 12 years account for more than 40% of sexual assault cases, highlighting the importance of integrated community interventions. Poor return and follow-up of sexual abuse cases further compromises programme management with return rates of less than 50% reported from some institutions.

A total of 6,546 new cases were seen in the first 3 quarters of 2006/07 with 2,925 receiving ARV-PEP.

Human Genetics

The Province has appointed a full time Human Geneticist. The full time Human Geneticist is based at Inkosi Albert Luthuli Hospital as from July 2006. Outreach services in the Province have been introduced at Port Shepstone, Lower Umfolozi District War Memorial and Grey's Hospitals.

CHALLENGES

Poor case management and supervision of case skills lacking.

Staff attrition rates have eroded the skills base.

Development of a comprehensive Genetic Service remains a challenge.

Not all Districts have a TOP service.

Quality of data available and accurate collection of data is problematic.



1.5.6 NUTRITION

The Nutrition Programme addresses both under and over-nutrition throughout the life-cycle. It emphasises disease specific conditions such as HIV and TB.

The Programme also looks at preventative methods for identified disease conditions such as diabetes, heart disease and support of safe infant feeding practices, including growth monitoring.

The Integrated Nutrition Programme (INP) has six Key Focus Areas:

- Disease specific nutrition support, treatment and counselling.
- Nutrition promotion, education and advocacy.
 - Maternal Nutrition.
 - Youth & Adolescent nutrition.
- Micronutrient malnutrition control.
- Food service management.
- Contribution to household food security.
- Infant and young child feeding.

CHALLENGES

Adequate recruitment and retention.

Effective Supply Chain Management.

1.5.7 TB CONTROL PROGRAMME

The TB Control programme prioritised 6 areas for strengthening of the programme in order to improve delivery, implementation and management of TB patients. These are implemented through the TB Crisis Management Plan.

The first area was the improvement of the capacity to manage the Programme at both Provincial and District level. TB was removed

from the CDC unit and structured as a stand-alone Programme within the newly created Strategic Health Programmes Unit. A Chief Technical Advisor, Senior Technical Advisor, Surveillance Officer and 10 Sub-District Coordinators were appointed during the financial year.

The second area of improvement was the strengthening of the laboratory services capacity. This was necessary to adequately cope with the diagnostic workload, as well as to improve the quality of the services. In this regard 47 microscopists were appointed and 2 Quality Assurance teams, consisting of a Medical Technologist, 2 Lab Assistants, and a data capturer.

The third area of improvement was the strengthening of case finding, and improving the capacity for clinical management of TB patients at facility level. In this regard 52% of facilities have implemented the TB suspect register system to improve case finding. An additional 118 nurses were appointed at facility level for the management of TB. A total of 1,352 Health Care Workers were trained in the National Tuberculosis Control Programme guidelines. A patient tracking system was designed for monitoring return dates/visits of patients. The system has been implemented in 16% of facilities to date.

The fourth area of improvement was the strengthening of the community support component of the programme. This component is responsible for DOT, contact and defaulter tracing, as well as community education and mobilisation. A total of 1,100 treatment supporters were trained, 33 TB community officers were appointed, and 40 dedicated TB vehicles were procured and delivered to the districts. In terms of community education and mobilisation, 1 TB Indaba, 5 TB blitz campaigns, and 55 district TB awareness events were conducted. There has also been extensive



media coverage on radio and newspaper advertising campaigns.

The fifth area of improvement was the strengthening of the management of MDR and XDR TB. In this regard 115 Health Care Workers (HCW) were trained in the MDR TB guidelines, and 2 new MDR TB Satellite centres were opened, increasing the bed capacity from 240 to 396.

The sixth area of improvement was the strengthening of the TB reporting and recording system. An additional 14 district data capturers and 2 district surveillance officers were appointed to improve the capacity to manage the workload.

The overall initial impact of these interventions has seen the following improvements:

- The Provinces bacterial coverage in diagnosis has increased from 75% to 78%.
- The smear conversion rate improved from 54% to 60%.
- The cure rate improved from 35% to 42%.
- The defaulter rate decreased from 16% to 13%.
- The number of TB cases in the reporting and recording system not evaluated has decreased from 20% to 12%.

The main challenges faced are the recruitment and retention of doctors for the MDR TB satellite centres, and the slow procurement process for purchasing of vehicles.

1.5.8 MENTAL HEALTH AND SUBSTANCE ABUSE

The Mental Health Care Act, 2002 (Act 17 of 2002) sets out an enabling framework to manage mental health issues in the community. Compliance with the imperatives set by the Act is still a major challenge given

Mental health is no longer rendered as a vertical service, but is now fully integrated.

historical backlogs in the provisioning of this service.

Implementation of the Mental Health Care Act

The main challenges faced relate to non-compliance with the Act due to incorrect filling in of forms by practitioners. This hindered the provision of care for mental health care users at the correct level of intervention. To address this gap provincial workshops were conducted, and Districts were given guidelines with regard to the implementation of the Act.

Mental Health Review Boards

The Mental Health Review Boards have briefed districts on their roles, functions and challenges. The National Department of Health conducted a consultative workshop and a training session in order to clarify the aforementioned roles and functions.

Improvement of Care of the Acute and Chronically Mentally ill.

The placement of Mental Health Care Users in the community has been a challenge facing Mental Health Care Providers.

The Department of Health has therefore entered into service level agreements with NGO's to provide care for chronic mental health care users. During the reporting period there has also been revision of the funding formulas of NGO's and this has resulted in a tremendous improvement in the service delivery of these institutions.

Integration of Mental Health Care into Primary Health Care (PHC)

The training of PHC nurses is ongoing. It still needs to be prioritised further with more training being conducted in the Districts. As a result of these training interventions, there is now improved



implementation of the Mental Health Care Act in the Districts. Districts have accepted the inclusion of Mental Health Care Users into the general health care system.

Introduction of Strategies to Address Levels of Substance Abuse at PHC Level.

The absence of a policy addressing substance abuse has resulted in a number of patients who require detoxification not receiving the care they require. An audit of detoxification has been undertaken. District hospitals are preparing to accept patients requiring detoxification. PHC nurses have also been trained on substance abuse. This training aimed at the integration of mental health into primary health care. Preventative programmes on substance abuse are a challenge, but awareness campaigns are conducted and PHC nurses are encouraged to be members of the substance abuse forums.

1.5.9 REHABILITATION PROGRAMME

The Disability and Rehabilitation Programme aims to create access to services, facilities and information, to persons with disabilities through consultation and collaboration. It ensures that quality services are provided to persons with disabilities through building capacity in all levels of Health Care Workers.

The following challenges characterised the service in 2006/07:

The Disability and Rehabilitation Programme achieved success in improving access to services for persons with disabilities (PWD'S) at hospitals, clinics and within the community. This was largely due to the coverage by community service therapists and through the service level agreement for community based rehabilitation.

CHALLENGES:

- Poor recruitment and retention of rehabilitation personnel at all levels of care.
- Poor and inequitable infrastructure for clinicians to provide services at all levels.
- Poor priority by Managers resulting in limited resource allocation at operational levels.
- Inaccessible buildings and facilities to persons with disabilities.

Access to information was addressed and physical access to facilities was monitored through a national audit of all hospitals in KZN.

The free repair of wheelchairs continued at 21 repair sites through a service level agreement. The Programme successfully launched the Disabled Employees Forum comprising all persons with disabilities employed in the department and conducted various capacity development workshops around reasonable accommodation, health and wellness.

The provision of free healthcare to persons with disabilities was monitored and supported by the Programme. Capacity development workshops were undertaken for health personnel and persons with disabilities such as mobility, orientation and independence training. Community Health Workers were trained on stroke and spinal care. The Programme also supported various activities of the professional forums for Occupational Therapy, Physiotherapy, Audiology and Speech Therapy

forums for Occupational Therapy, Physiotherapy, Audiology and Speech Therapy

1.5.10 ORAL AND DENTAL HEALTH

A Provincial Oral Health Strategy has been approved. Dental service delivery is currently characterised by the treatment of pain and sepsis (i.e. dental

extractions). There is a need to change the emphasis to restorative work especially in children.

The Provincial intake of 30 Community Service Dentists has substantially contributed to increased service delivery. The Programme prioritised the revitalisation of dental surgeries and the standardisation of equipment levels at all delivery points following a comprehensive audit. The challenge has been to mobilise funding from District budgets and this was achieved in seven



Districts. The major constraints identified were the delay in the acquisition of equipment required and the lack of skills to procure specialised dental goods by District procurement personnel.

1.5.11 HIV AND AIDS, PMTCT AND ART PROGRAMMES

The aim of the Programme, in dealing with HIV, AIDS and STI's is to implement preventative, therapeutic and supportive programmes. The desired outcome is a decrease in the incidence and impact of these diseases and enhancement of the quality of life of people affected and infected by these conditions in KwaZulu-Natal.

A comprehensive approach to the management of HIV and AIDS has seen the Department implementing ART at 69 accredited sites. All Hospitals are now accredited and more than 300 PHC Clinics provide one or more comprehensive HIV and AIDS services including adherence counselling, CD4 count testing and treatment literacy sessions.

A total of 1,767 Lay Counsellors have been employed and are trained on Pre-test, Post test and On-going counselling including STI, TB, ARV (Adherence and Treatment Literacy Counselling). Lay Counsellors support Clinical Programmes including the ARV Programme by providing drug literacy training to HIV and AIDS infected persons. The Department addresses the improvement of counselling skills through a Mentorship Programme.

PMTCT is now offered at 96% of facilities, which include all health facilities offering antenatal care services. More than 88% of pregnant women were tested for HIV and 30% tested positive. Maternal access to medication to decrease transmission was 60% of the target population.

Currently 98% of the target population of babies are receiving relevant medication, 58% of mothers practice exclusive breastfeeding, and 40% practice formula feeding.

Sexually Transmitted Infections (STI) Interventions saw all health facilities distribute condoms freely and offer syndromic management of STIs.

90 sites throughout the Province distributed female condoms, with 158,686 distributed in the last year.

Additionally, 4 truck-stops (High Transmission Areas-HTAs) function as wellness centres in the Province and 2 additional intervention sites are operating as a mobile service, one in the Timber industry factories and another one in a busy taxi rank in Ladysmith, (Uthukela District). This brings the total number of HTA intervention sites to 6 (the target for 2006/07 being 7). 4,246 HBC teams are providing services at community level. 72 NIP sites were established, with 24 soup kitchens for the provision of cooked meals to some 1,300 families.

The voluntary counselling and testing service (VCT) was extended to all health facilities as well as 59 non-medical sites. However, the implementation of these interventions has not been without challenges and constraints. These have included:

- An increase in children requiring alternate care due to backlog in foster care matters.
- Unavailability of space in most facilities for counselling services, and provision of CCMT services.
- Poor follow-up of babies within PMTCT programme, with its uptake remaining low.
- Low uptake of HIV and AIDS services by children and an increasing number of treatment defaulters due to unavailability of patient transport.
- Ongoing human resource shortages and high staff turnovers continue to plague all HIV and AIDS programmes.

Additionally, the tracing of "mother-child pair post-delivery" has not been possible. The transmission rate to babies is estimated at 19% but 49% of babies in the intervention programme have not been tested for HIV.

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Table 9: Performance against targets from 2004/05 strategic plan for the District Health Systems programme

Measurable Objective	Performance Indicator	2004/05 (Actual)	2005/06 (Actual)	2006/07 (Actual)	2006/07 (Target)
To strengthen participation in the IDP process.	% District Managers participating in the IDP	Not measured	Not measured	100%	100%
	% District Health Plans included in the IDP.	Not measured	Not measured	100% ¹	100%
To strengthen management within District Hospitals.	% of Districts with appointed District Managers.	87%	80%	100%	100%
To increase equitable and effective access to PHC services.	% District offering full package of PHC.	Not measured.	Not measured	Not measured ²	82%
	Number of districts with at least one CHC.	7	7	16	8
	% of PHC Clinics ³ .	78.8%	75.6%	72.4%	90%
	Number of mobile teams.	180	220	240	240
To establish referral protocols and guidelines.	% districts with quarterly Clinical forum meetings to discuss the referral protocol/ guidelines.	Not measured	Not Measured	50%	100%
	% districts with protocol/ guidelines.	-	-	50%	100%
To establish a HAST programme.	% districts with functional HAST teams.	-	-	50%	80%
	% of DIO's trained to use DHIS.	Not measured.	Not measured.	100%	100%
To strengthen monitoring of District performance.	% Districts with district plans.	Not measured.	Not measured.	100%	50%
	% Districts reporting quarterly using DHIS.	Not measured.	Not measured.	100%	80%
To develop and implement a work plan for the devolution of PHC function to Local Government. ⁴	Devolution of PHC Services to Local Government.	Not measured.	Negotiations with municipalities.	Negotiations with municipalities	100%

¹ This indicator refers to District involvement in the IDP process.

² Package of service has now been aligned to the Service Transformation Plan (STP). This will enable measurement from 2007/08.

³ % would in actual fact increase as the Department has 19 new CHC's planned for the same period which would increase the % of population within 5km of a PHC facility.

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Measurable Objective	Performance Indicator	2004/05 (Actual)	2005/06 (Actual)	2006/07 (Actual)	2006/07 (Target)
To develop strategies to ensure relationship between DHS and institutions.	PHC Services integrated between PHC Clinics, CHC's and Hospitals.	75%	82%	80%	100%
To ensure the existence of functional PHC Clinic Health Committees.	PHC communication strategy.	83%	92%	Not measured.	100%
Utilisation of appropriate CHW Human Resources to support PHC.	Provision of sufficient CHW.	4,147	4,000	5,202	6,147
Recruitment and deployment of Home Based Community Workers.	Provision of sufficient HBCW.			1840	1,779
	Number of youth employed (18-35 yrs)	Not measured.	Not measured.	Not measured.	605
Community participation in the governance of service rendering facility at level 1.	Provision of Governance Structures.	50%	70%	90%	100%
To ensure quality of care.	% of facilities with effective infection control programme.	Not measured.	30%	30%	40%
	% of facilities compliant with set norms and standards.	Not measured.	25%	30%	60%

⁴ The indicator contained in the APP 2006/07 is incorrect and should read devolution of PHC function to Province.

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Table 10: Performance Indicators for District Health System

	Type	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 Strategic Plan Target
Input						
Uninsured population served per fixed public PHC facility.	No	17 379	17 062	16 257	16 323	<10,000-
Provincial PHC expenditure per uninsured person.	R	R 200.48	R 210.48	R251.41	R150.36	N/A
LG PHC expenditure per uninsured person.	R	R7.74	R8.33	R9.82		N/A
PHC expenditure (provincial plus local government) per uninsured person.	R	R208.22	R219..21	R261.22	R305.42	R227
Professional nurses in fixed public PHC facilities per 1,000 uninsured people.	No	4.1	4.8	5.4	4.9	13
Sub-districts offering full package of PHC services.	%	20%	85%	87%	93%	100%
EHS expenditure (provincial plus local government) per uninsured person.	R	R7.58	R9.41	R9.37	R9.61	R11.47
Process						
Health districts with appointed manager.	%	100%	100%	100%	100%	92%
Health districts with plan as per DHP guidelines.	%	0%	100%	100%	100%	48%
Fixed public PHC facilities with functioning community participation structure.	%	80%	89%	100%	87%	68%
Facility data timeliness rate.	%	98%	100%	92%	96%	80%
PHC headcount.	No	18,411,276	18,873,246	19,210,359	19,950,299	N/A

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	Type	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 Strategic Plan Target
Utilisation rate – PHC.	No	1.9	1.8	2.0	2	3.5
Utilisation rate - PHC under 5 years.	No	3.7	3.5	4.0	4	5.0
Quality						
Supervision rate	%	89%	83%	93%	100%	100%
Fixed PHC facilities supported by a doctor at least once a week.	%	Data not collected	Data not collected	Data not collected	Data not collected	100%
Efficiency						
Provincial expenditure per visit (headcount) at provincial PHC facilities.	R	R 50	R 94	R 92	R 92	R78
Expenditure (provincial plus local government) per visit (headcount) at public PHC facilities.	R	R 52	R 98	R 96	R 66	R78
Outcome						
Districts with a single health provider.	%	0%	0%	0%	0%	100%
Service volumes						
PHC Clinic headcounts.		131,243	1,865,659	14,831,210	15,483,582	
CHC headcounts.		455,284	422,151	2,077,878	2,370,640	
Mobile headcounts.		184611	2075381	1,976,147	2,096,077	

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Table 11: Performance Indicators District Hospitals

		2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 Strategic Plan Target
Input						
Expenditure on hospital staff as percentage of total hospital expenditure.	%	67.98%	69.77%	66.51%	68.72%	75.68%
Expenditure on drugs for hospital use as percentage of total hospital expenditure.	%	6.46%	4.96%	5.30%	5.24%	8.5%
Hospital expenditure per uninsured person.	R	R 233.20	R 275.07	R306.87	R309.51	R292.28
Process						
Hospitals with operational hospital board	%	87%	87%	98%	100%	100%
Hospitals with appointed (not acting) CEO in place.	%	89%	93%	93%	100%	100%
Facility data timeliness rate.	%	100%	100%	100%	98%	100%
Output						
Caesarean section rate.	%	20%	18%	19%	21%	11%
Quality						
Hospitals with a published nationally mandated patient satisfaction survey in last 12 months.	%	95%	100%	100%	100%	100%
Hospitals with clinical audit (M&M) meetings at least once a month.	%	Meetings only take place quarterly	Meetings only take place quarterly	Meetings only take place quarterly	Meetings only take place quarterly	Meetings only take place quarterly basis

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		2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 Strategic Plan Target
Efficiency						
Average length of stay.	Days	6 Days	6 Days	6 Days	6 Days	3.2 Days
Bed utilisation rate (based on useable beds).	%	58%	59%	59%	64%	72%
Expenditure per patient day equivalent.	R	R 630	R 600	R 789	R1,084	R814
Outcome						
Case fatality rate for surgery separations.	%	4.5%	5%	4.8%	4%	3.5%
Service volumes						
Separations.		303,088	300,994	316,889	342,796	-
OPD headcounts.		1,695,454	1,634,195	1,733,618	1,430,638	-
Day cases (=1 separation = 1/2 IPD).		3,094	3,142	13,120	17,258	-
Casualty headcount.		339,229	336,699	287,300	232,179	-
PDEs.		2,464,993	2,416,252	2,549,458	2,491,990	-

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Table 12: Provincial Objectives and Performance Indicators for TB Control

Measurable Objective	Indicator	2004/05 (Actual)	2005/06 (Actual)	2006/07 (Actual)	2007/08 (Target)
To increase case finding.	% districts that have implemented routine TB diagnostic questions into their general initial patient assessment procedures.	N/A	N/A	100%	100%
	% districts implementing routine screening in high risk groups.	N/A	N/A	100%	100%
	Case detection new sputum smear positive (PTB).	33%	35%	33%	60%
To improve laboratory diagnosis services.	% microscopy sites assessed.	N/A	N/A	100%	100%
	% microscopy sites meeting minimum standards.	73%	73%	100%	100%
	% of microscopy sites meeting minimum standards.	100%	100%	100%	100%
To improve TB diagnosis by sputum examination.	% Bacteriological cover.	78%	75%	78%	80%
To Improve the collection of sputum specimens from peripheral health facilities.	% Institutions provided with transport three times per week.	73%	75%	80%	90%
To improve quality of and standardise DOTS service.	% Health Care Workers providing a minimum standard of DOTS.	80%	85%	90%	90%
To ensure an efficient and effective paper based and electronic recording system.	% Districts with fully implemented and functional ETBR System.	100%	100%	100%	100%
	% Institutions submitting reliable TB-data to District Offices.	N/A	N/A	80%	100%
To strengthen surveillance of MDR TB.	% Institutions with protocols for identification	N/A	N/A	100%	100%

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Measurable Objective	Indicator	2004/05 (Actual)	2005/06 (Actual)	2006/07 (Actual)	2007/08 (Target)
	of suspected MDR TB cases.				
	% Districts monitoring verified MDR TB cases.	N/A	N/A	100%	100%
To improve treatment of MDR TB.	MDR TB treatment success (new and previously treated MDR TB patients combined).	N/A	N/A	42%	60%
To integrate TB and HIV services.	Proportion of all TB patients offered VCT	N/A	N/A	100%	10%
	Proportion of HIV+ patients screened for TB.	N/A	N/A	Not measured.	25%

Table 13: Performance Indicators for HIV, AIDS and STIs and TB

		2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 Strategic Plan Target
Input						
Fixed PHC facilities offering PMTCT.	%	100%	100%	100%	100%	100%
Fixed PHC facilities offering VCT.	%	100%	100%	100%	100%	100%
Hospitals offering PEP for occupational HIV exposure.	%	100%	100%	100%	100%	100%
Hospitals offering PEP for sexual abuse.	%	57%	57%	57%	57%	100%
Process						
TB cases with a DOT supporter.	%	70%	73%	80%	80%	80%
Male condom distribution rate from public sector health facilities.	Peak male ≥ 15 years	7.8 condoms per male	5 condoms per male	7 condoms per male.	7 condoms per male	9 condoms per male

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		2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 Strategic Plan Target
Male condom distribution rate from primary distribution sites.	Per k male ≥ 15 years	18m	21m	20.8m	21.7m	30m
Nevirapine stock out.	%	n/a	0	0	0	0
Output						
STI partner treatment rate.	%	25%	26%	22%	23%	50%
Nevirapine uptake rate among babies born to women with HIV.	%	100%	⁵ 100%	100%	100%	100%
VCT client pre-test counseling rate.	%	100%	100%	100%	100%	100%
TB treatment interruption rate.	%	14%	13%	14%	14%	12%
Quality						
TB sputa specimens with turnaround time > 48 hours.	%	20%	15%	15%	No data.	12%
Efficiency						
Dedicated HIV/AIDS budget spent.	R	246,701	348,536	528,093	703,970	100%
Outcome						
New smear positive PTB cases cured at first attempt.	%	31%	33%	35%	42%	40%
New MDR TB cases reported - annual % change.	%	N/A	16%	No data	No data	10%
Service volumes						
STI case - new episode.		N/A	N/A	17,839	368,985	-
Patients registered for ART.			11,449	57,149	73,641	-

⁵ ART roll-out had not commenced yet

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Table 14: Performance Indicators for HIV, AIDS and STI's

Measurable Objective	Indicator	2005/6 (actual)	2006/7 (actual)	2006/7 (Target)
Prevention of Mother to Child Transmission				
To increase the uptake of PCR testing of babies born to HIV + mothers.	% of babies born to HIV positive mothers PCR tested.	-	Data not available ⁶	50%
To integrate PMTCT baby follow-up into child health services.	% facilities following an integrated approach during immunisation visits.	-	Data not available.	20%
Home-Based Care				
To standardise and rationalise home-based care by developing a data base of all carers/volunteers.	% of volunteers trained in accredited programmes/courses.	N/A	50%	50%
To increase the coverage of home based care in Districts.	% of municipal wards having an operational Home and Community Based Care Givers Programme.		100%	50%
Anti-Retroviral Therapy				
To increase access to ART by increasing number of people on ART.	% of patients on ART in relation to the target.	20%	30%	40%
To monitor adherence to and effectiveness of ART.	% "drop out" from programme.	1.4%	<1%	<1%
To monitor adverse events.	% of sites with adverse events monitoring system.	No data available	No data available	100%

⁶ Data exists however; it could not be validated at the time of going to press.

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Table 15: Maternal, Child & Women's Health Including Nutrition

		2003/04	2004/05	2005/06	2006/07	2006/07 Target
Input						
Hospitals offering TOP services	%	29%	35%	35%	40%	38%
CHCs offering TOP services	%	0%	0%	0%	0%	10%
Process						
DTP-Hib vaccines out of stock	%	0%	0%	2%	0%	0%
AFP detection rate	%	1%	1%	0.8%	1%	1%
AFP stool adequacy rate	%	100%	100%	87%	84%	100%
Output						
Schools at which phase 1 health services are being rendered	%	31%	37%	17%	57%	40%
(Full) Immunisation coverage under 1 year	%	87%	84%	76.4%	74.8%	90%
Antenatal coverage	%	-	117%	114%	87%	60%
Vitamin A coverage under 1 year	%	86%	82.3%	116%	100%	89%
Measles coverage under 1 year	%	101%	88.9%	79%		90%
Cervical cancer screening coverage	%	4.7%	4.7%	2%	4.5%	65%
Quality						
Facilities certified as baby friendly	%	⁷ 41.2%	50.9%	65%	70%	60%
Facilities certified as youth friendly	%	6%	5.1%	6%	8%	15%
PHC facilities implementing IMCI	%	65%	65%	75%	80%	40%
Outcome						
Institutional delivery rate for women under 18 yrs.	%	9.5%	7.3%	8%	8%	<10%
Not gaining weight under 5 years.	%	-	1.2%	6%	5%	-

⁷ Figures based on hospitals that provide maternity facility. They exclude 5 clinics that are baby friendly.

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Table 16: Objectives and Performance Indicators for Nutrition

Measurable Objective	Indicator	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 Target
To contribute to the reduction of malnutrition in children <5 years of age, specifically of children not gaining weight.	Number of children not gaining weight as a percent of the total number of children weighed.	6%	5%	5%	18%
To contribute to the reduction of malnutrition in children < 5 years of age, specifically of severe malnutrition.	Proportion of severely underweight children < 5 years of age measured as the number of children < 5 years of age below – 3 standard deviations of the NCHS/WHO reference median value out of surveyed number of children.	0.55%	0.5%	0.45%	0.5%
	<i>Underweight for age under 5 years.</i>	1.8%	1,3%	1.2%	1%
To eliminate micronutrient malnutrition deficiencies among the population focusing on vulnerable population and specific target groups.	Vitamin A supplementation coverage of children 6-12 months measured as the number of children who received 100 000U capsules.	116% (Percentage > 100% due to cross border flows and inaccuracy in counting of doses administered).	88%	100%	95%
	Vitamin A coverage of children 12- 60 months measured as the number of children who received 200 000IU.	N/A	60%	25%	40%
To contribute to household food security.	Number of PHC Clinic gardens.	75	220	270	2500

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Table 17: Performance Indicators for Maternal, Child and Women's Health

Measurable Objective	Indicator	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 Target
EXPANDED PROGRAMME OF IMMUNISATION					
90% coverage of children under 1 year for primary series of immunisation.	% of children under 12 months fully immunised.	96%	88.5%	74.8%	90%
	Drop out rate between 1 st and 3 rd DTP.	12%	13%	6.9%	<10%
	Drop out rate between 1 st and 2 nd measles.	16.3%	21%	12.3%	<10%
Sustain surveillance of AFP to full investigation cases.	AFP cases fully investigated.	37	57	45	45
Reporting and investigation of measles cases.	% of suspected measles cases investigated and confirmed.	954 suspected, 5 confirmed.	628 investigated, 205 confirmed.	963 investigated, 5 confirmed.	100% of investigated.
Sustain reporting of Adverse Events Following Immunisation (AEFI).	% cases investigated within 48 hours.	26%	77%	25%	40%
SCHOOL HEALTH					
Provide basic screening services to school children in grade R1.	% of schools visited.	N/A	20%	53%	40%
Reduce barriers to learning through screening children in Grade R1.	% of Districts implementing school health policy.	90%	100%	100%	100%
ADOLESCENT HEALTH					
Increase health services via implementation of Adolescent Friendly Clinics.	% of Youth Friendly Clinics.	N/A	33 PHC Clinics.	39 PHC Clinics.	47%

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Measurable Objective	Indicator	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 Target
WOMEN'S HEALTH					
Increase contraceptive coverage.	Number of nurses trained in integrated sexual & reproductive health.	586	600	869	650
Increase access to TOP services.	Percentage of hospitals offering TOP.	27%	35%	40%	29%
Increase access to cervical cancer screening.	% of women screened.	37%	33%	4.5%	10% of women over 30 years ⁸
Increase access to 1 st level treatment of abnormal cervical cells.	Number of Districts to colposcopy sites.	N/A	6 Districts.	6 Districts.	11 Districts ⁹ .

⁸ Target from National Department of Health.

⁹ 1 colposcopy site per District.

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Table 18: Disease Prevention and Control Programme

		2003/04	2004/05	2005/06	2006/07	2006/07 Target
Input						
Trauma centres for victims of violence (sexual assault, family violence).	No	23	23	23	25	25
Process						
CHCs with fast queues for elder persons.	%	54%	80%	54%	60%	100%
Output						
Districts with health care waste management plan implemented.	Number	11	11	11	11	11
Hospitals providing occupational health programmes.	%	100%	100%	100%	100%	100%
Schools implementing Health Promoting Schools Programme (HPSP).	%	0.02%	1.9%	0.53%	2.83%	N/A-
Integrated epidemic preparedness and response plans implemented.	Y/N	Y	Y	Y	Y	Y
Integrated communicable disease control plans implemented.	Y/N	Y	Y	Y	Y	Y
Quality						
Schools complying with quality index requirements for Health Promoting Schools Programme.	%	-	20%	25%	30%	N/A-
Outbreak response time.	Days	1	1	< 1	< 1	1
Waiting time for a wheelchair.	Weeks	1	1	2	No data.	N/A
Waiting time for a hearing aid.	Weeks	12	6	-	No data	N/A
Efficiency						
Waiting time for cataract surgery.	Months	12	10	8	6	
Outcome						
Dental extraction to restoration rate.	Ratio	40:1	35:1	35:1	35:1	N/A-
Malaria fatality rate.	%	0.5%	<1%	0.6%	0.6%	0.5%
Cholera fatality rate.	%	5.03%	0%	0%	<1%	<1%
Cataract surgery rate.	No	3,871	7,286	8,286	8,701	1,000

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Table 19: Provincial Objectives and Performance Indicators for Disease Prevention and Control

Measurable Objective	Indicator	2004/05 (Actual)	2005/06 (Actual)	2006/07 (Actual)	2006/07 (Target)
COMMUNICABLE DISEASES PROGRAMME					
To improve staffing capacity at both Provincial and District level.	Number of CDC staff appointed.	1 Provincial Surveillance Officer 17 District Surveillance Officers.	1 Provincial Technical Officer 1 Provincial Surveillance 3 District Surveillance Officers 40 District Community Tracing Officers.	Process completed.	Process completed.
To complete transfer of TB Programme Structure to HAST.	Transfer completed.	-	Migration Plan in place.	Process Completed.	Process completed.
To train Health Care Workers in CDC guidelines.	Number of Health Care Workers trained: Rabies. Food Poisoning. Diarrhoea control. EPR.	221 180 -	300 300 300	1,840 ¹⁰	300 300 300 300

¹⁰ Home Based Care Workers were trained in 4 Core Unit Standards (i.e. Engage in Home in Health Promotion, Primary Health Care, Collect Information and DOT”

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Measurable Objective	Indicator	2004/05 (Actual)	2005/06 (Actual)	2006/07 (Actual)	2006/07 (Target)
To train Health Care Workers in the above through telemedicine.	Training schedule available and adhered to.	-	-	1 per quarter per district	1 per quarter per district
To implement the district-based Surveillance Information Systems.	% of Districts implementing surveillance system including measles data base.	-	-	80%	100%
	Transfer of "stand alone" data bases to a consolidated web-based system.	-	-	100%	100%
To implement the Diarrhoeal Control Programme.	% of Districts implementing.	Nil	Implemented in 4 sentinel sites in each district.	Implemented in 4 sentinel sites in each district.	100%
To expand and strengthen the 24 Disaster Management Flash Reporting System.	% Districts implementing the Disaster Management Flash Reporting System.	-	60%	100%	100%
	% Districts provided with technical support.	-	60%	100%	100%
To train District Communicable Disease Coordinators in outbreak investigation protocols and procedures.	% of District Communicable Disease Coordinators trained.	-	100%	100%	100%
To develop a comprehensive strategy and operational plan for the control of communicable diseases during the 2010 Soccer Event.	Plan developed and adopted.	-	Draft plan available from National CDC unit.	Adapt plan for Province with district teams.	Adapt plan for Province with district teams.
CHRONIC DISEASES AND GERIATRIC CARE					
To increase the cataract surgery rate.	Number of trained Ophthalmic Medics.	-	4	4	6
To provide low vision services at all Sight Saver Centres.	Number of Districts with low vision services.	-	5	11	7

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Measurable Objective	Indicator	2004/05 (Actual)	2005/06 (Actual)	2006/07 (Actual)	2006/07 (Target)
To provide flu-vaccines to older persons and persons at risk at all health facilities.	% of health facilities providing flu-vaccine to target group.	50%	60%	70%	80%
To improve the availability of chronic medication in PHC facilities.	% of PHC facilities providing chronic medication.	97%	100%	100%	100%
To raise community awareness on geriatric care.	At least one community awareness campaign per year.	0	0	1	1
DISABILITY AND REHABILITATION PROGRAMME					
To increase access to rehabilitation services.	One or more rehabilitation disciplines established at all levels of care:				
	- % Hospital	96%	85%	85%	96%
	- % PHC Clinics	60%	50%	60%	65%
	Number of Stroke Units commissioned.	2	5	6	11
	Number of Spinal Units commissioned.	1	0	1	4
The provision of appropriate assistive devices and medical Orthotic and prosthetic devices measured against the planned target.	19 Motorised & 2784 wheel chairs 915 Hearing Aids 10 000 Orthotic & prosthetic devices.	2,000 Wheel chairs. 600 Hearing Aids. 915 Orthotic & prosthetic devices.	70%	70%	

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Measurable Objective	Indicator	2004/05 (Actual)	2005/06 (Actual)	2006/07 (Actual)	2006/07 (Target)
	Number of Diagnostic Audiology Clinics functional.	9	9	12	15
	% facilities with appropriate access for persons with disabilities.	50%	20%	50%	60%
To ensure adequate capacity in all institutions to provide quality health services to disabled persons.	Number of mobility orientation and independence training workshops conducted.	0	3	3	5
	Number of Health Care Workers trained to use signs to communicate with the deaf.	0	30	100	200
	Number of rehabilitation mid-level workers trained in the Diploma Program.	0	0	30	60
	Number of Home and Community Based Care Givers trained on disability issues.	41	50	75	80
	Number of Rehabilitation and Professional Health Workers trained on disability issues.	500	800	1000	1200
	% of Therapists trained to identify and administer the "free health service system".	0%	0%	50%	80%
To increase staff training on disabilities and rehabilitation.	Number of District Mobility and Orientation Independence Training workshops.	Commenced awareness process.	3	3	8
	Number of Health Care workers trained to use sign language.	No training.	30	50	100

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Measurable Objective	Indicator	2004/05 (Actual)	2005/06 (Actual)	2006/07 (Actual)	2006/07 (Target)
To promote optimum capacity of Rehabilitation Personnel.	Relevant training programmes offered in all Districts.	9	0	24	60
To improve quality of rehabilitation services.	Number of Wheelchair Repair and Maintenance Workshops established at Hospitals and CHC's.	17	19	23	21
	% PHC facilities with reference material to communicate with the deaf.	0%	Data not collected.	Data not collected.	50%
	% Health Promotion Material in Braille and Audiotape.	10%	Data not collected.	Data not collected.	50%
	% Qualifying beneficiaries for "free health services" identified.	0	20%	Data not collected.	70%
	Number of awareness programmes conducted in Districts.	11	11	11	11
	Service level agreements approved and operational.	3	3	3	5
HEALTH PROMOTION					
To facilitate the implementation of health promotion and healthy lifestyle interventions.	Number of Districts receiving HP Technical support.	11	11	11	11
	Number of schools participating in the Schools Essay Competition.	132	132	153	44
	Number of promotion initiatives launched.	8	23	44	60
To promote health literacy by facilitating the development of, production, mobilization	IEC materials developed and % of Districts receiving distributed material.	60%	80%	100%	100%

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Measurable Objective	Indicator	2004/05 (Actual)	2005/06 (Actual)	2006/07 (Actual)	2006/07 (Target)
and education strategies, materials, messages and resources.	Number of talk shows held.	56	82	86	90
	Number of health events held by Districts in accordance with the Health Calendar.	13	13	18	16
	Number of Districts with Resource Centres.	5	N/A	N/A	11
To build capacity in health promotion.	Number of Districts with Health Promotion Forums.	10	11	11	11
	Number of District Health Promotion Assessment Teams.	10	11	11	11
	Number of capacity building and training workshops.	22	24	N/A	34
To network and provide support and expertise to interdepartmental role players in implementation of health programmes.	Number of intersectoral/inter departmental HP programmes held.	N/A	16	18	16
ORAL HEALTH					
To increase access to oral health services.	% of District Hospitals and PHC offering oral health.	60%	100%	100% ¹¹	70%
To increase awareness of fluoride tooth brushing programmes.	% of schools participating in programme.	20%	Programme discontinued.	Programme discontinued.	30%
To decrease the number of extractions and increase the number of restorations.	Ratio of the number of teeth extractions to the number restored.	35:1	30:1	25:1	20:1
To strengthen oral health prevention and promotion capacity within districts.	% Districts with Oral Hygienists to deliver prevention and promotion.	70%	100%	100%	100%

¹¹ Oral health is offered at all District Hospitals. In terms of PHC it is offered at all CHCs.

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Measurable Objective	Indicator	2004/05 (Actual)	2005/06 (Actual)	2006/07 (Actual)	2006/07 (Target)
MENTAL HEALTH					
To improve care of the acute, chronic and community based psycho-social rehabilitation services.	% Hospitals providing designated package of service.	50%	80%	90%	100%
To facilitate implementation of the new Mental Health Care Act No. 17 of 2002.	% District Hospitals providing 72 hour assessment service.	N/A	N/A	100%	100%
	% of planned forensic and juvenile services	N/A	N/A	70%	90%
To ensure integration of mental health service delivery into the DHS.	Number of formal development programmes developed and implemented.	6	6	6	6
	% PHC Nurses trained in mental health protocols.	70%	80%	100%	100%
To improve the quality of care for acute, chronic and decanted patients.	Number of Mental Health Teams operational at various levels of mental health care.	6	8	10	12
	Number of facilities upgraded with relevant structures.	-	6	8	10
	Number of subsidised NGO Institutions operational.	-	35	35	45
	Number of Support Groups per District.	-	15	20	24
To decrease the incidence of violence against women and children.	% Mental Health Professionals placed in the various level of care.	-	25%	31%	45%
	% Institutions trained on Guidelines for Violence Prevention.	-	-	20%	35%
	Number of media releases on prevention of violence.	-	4	6	8

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Measurable Objective	Indicator	2004/05 (Actual)	2005/06 (Actual)	2006/07 (Actual)	2006/07 (Target)
	% increase in the number of persons referred to Crisis Centres.	-	25%	35%	40%
To promote strategies for reduction of suicide.	% Institutions implementing Guidelines to reduce suicide.	-	15%	20%	35%
To improve access to mental health facilities.	Commissioning of a Child and Adolescent Unit.	-	-	Unit commissioned.	Unit commissioned.
	Upgrading of forensic care service to accommodate juveniles.	-	10%	30%	40%
ENVIRONMENTAL HEALTH					
To strengthen the capacity in health and hygiene education in all Districts.	Number of staff trained in PHAST Methodology.	25	100	20	10
To establish mechanisms for the development of the Hazardous Substances Control Programme.	A finalised strategy document for the development of the Programme.	20%	50%	100%	100%
To reduce the incidence of Malaria.	Incidence of Malaria 1:1000 of population in affected Districts.	7/1000	2/1000	3/1000	5/1000
To develop and maintain a management information system.	A finalised EH MIS.	20%	50%	60%	70%
To strengthen and develop full capacity for Port Health Services.	Number of designated ports of entry with comprehensive service.	3	4	4	4

Programme 3

Emergency Medical Rescue Services





1. PROGRAMME 3: EMERGENCY MEDICAL SERVICES

1.1 AIM

The aims of Emergency Medical Rescue Services (EMRS) are two fold. The first aim is to provide a service that meets the emergency medical and rescue needs of the citizens of KwaZulu-Natal. The second aim is to provide non-emergency transportation of elective ambulatory patients in accordance with the district health referral system. This is achieved through the following sub-programmes:

PROGRAMME STRUCTURE

Sub-programme 3.1

Emergency Patient Transport (EPT).

Rendering of emergency response to, stabilisation of, and transportation of all patients involved in trauma, medical, maternal and other emergencies through the utilisation of specialised vehicles, equipment and skilled Emergency Care Practitioners (ECP).

Sub-programme 3.2

Planned Patient Transport (PPT).

Rendering of transport for non-emergency referrals between Hospitals and from PHC Clinics to Community Health Centres and Hospitals for indigent persons with no other means of transport.

The Programme is also responsible for the provision of a sustainable health service related disaster management services in the Province that complies with the provisions of the Disaster Management Act, 2002

1.2 ANALYTICAL REVIEW OF PROGRAMME PERFORMANCE

Policies focus around issues of continually improving patient access to the service and simultaneously improving the quality of services rendered.

Strategic Objectives of EMRS

To improve access to EMRS services in the Province by increasing the ratio between the number of ambulances per 10,000 population.

To improve the functioning of call centres.

To improve the quality of care to patients through the continued implementation of quality assurance arrangements.

To strengthen human resources, and staff retention.

1.3 PRIORITIES

In MTEF 2006/07, the Department purchased a total of 150 Ambulances and is in the process of recruiting 600 Emergency Care Practitioners. The purchase of these vehicles will have a positive effect on reducing downtime for service and repairs and improve the response time to critically ill patients significantly.

The need for vehicle replacements is taken into consideration in the procurement of ambulances annually.

Currently the Service call takers are proficient in the main language of the Province (including isiZulu) at Communication centres. The College of Emergency Care is exploring the possibility of offering multi-lingual courses that will enhance delivery and operational efficiency.

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During MTEF 2006/07, the Department entered into a lease agreement with the Durban University of Technology for the College of Emergency Care to occupy the Indumiso Campus Technical Block and Residence. This facility will commence training for the mid level worker (MLW).

The Call Centre is under immense pressure to ensure that the ever increasing demand of users is met. The current information Technology Equipment and software being used by the Call Centre is being upgraded to meet increasing demand.

EMRS is using a manual system for emergency medical and disaster call taking and dispatching. The system is outdated and hampers seamless service delivery. It will be replaced with a Computerised Communications Control Centre.

Disaster Management is one of the core functions of EMRS. It is established on order to align with the Disaster Management Act.

Disaster Management Priorities

Establish capacity in Head Office and Districts to deal with health related disaster management issues.

Integrate guideline for disaster management into service delivery plans.

Provide early warning systems and emergency preparedness.

1.4 DISASTER MANAGEMENT

Strategic Objectives of Disaster Management

To provide an integrated and co-ordinated health related disaster management policy.

To support inter-departmental and inter-sectoral collaboration in the Province in terms of the management and delivery of health related disaster management services.

To strengthen operational capacity in terms of the management and delivery of health related disaster services.

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Table 20: Performance against targets from 2004/05 strategic plan for the EMRS programme

Measurable Objectives	Indicators	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 Target
To improve access to services.	% of staff trained in EMD.	88%	89%	100%	80%	80%
	Improve Response Times.	Urban 40.7%	Urban 40.5%	Urban 50%	Urban 36.2%	Urban 60%
		Rural 38.2%	Rural 38.7%	Rural 45%	Rural 30.46%	Rural 60%
	isiZulu proficient staff.	56%	70%	86%	70%	70%
	Number of computerised Communication Centres.	0	4	4	4	8
To improve quality of EMRS in the Province.	Number of Intensive Care Mobile Units.	5	11	11	11	22
	Number of ALS staff per district.	2	3	6	5	6
	% clinics covered in the non-emergency programme.	0%	40%	34%	40%	80%
	Hospitals covered in the non-emergency transport programme.	10%	10%	100%	100%	100%
Decrease mortality and morbidity.	Increase the number of trained ILS and ALS personnel.	ILS 100 ALS 19	ILS 144 ALS 16	ILS 144 ALS 24	ILS 144 ALS 24	ILS 144 ALS 24

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Table 21: Emergency medical services and planned patient transport

		2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 Strategic Plan Target
Input						
Ambulances per 1000 people	No	0.0539	0.0964	0.0964	0.0100	0.2
Hospitals with patient transporters	%	100%	79%	85%	100%	70%
Process						
Kilometres travelled per ambulance (per annum)	Kms	144,204	143,404	143,300	143,628	
Locally based staff with training in BLS	%	45.3%	43.6%	44%	68.83%	59%
Locally based staff with training in ILS	%	51%	50.7%	51%	28.04%	29%
Locally based staff with training in ALS	%	5.7%	5.6%	5.6%	3.22%	15%
Quality						
Response times within national urban target (15 mins)	%	40.75%	40.5%	40.5%	36.20%	50%
Response times within national rural target (40 mins)	%	38.15%	38.75%	38.8%	30.46%	50%
Call outs serviced by a single person crew	%	0%	0%	0%	0%	1.8%
Efficiency						
Ambulance journeys used for hospital transfers	%	3.14%	3.53%	3.5%	2.0%	30%
Green code patients transported as % of total	%	33.75%	33%	33%	20%	-
Cost per patient transported	R	350	461	558	507	-
Ambulances with less than 500,000 kms on the clock	%	100%	100%	100%	100%	50%
Output						
Patients transported per 1000 separations	No	0.0254	0.344	0.344	0.344	10%
Volume indicator						
Number of emergency call-outs		338,851	503,782	633,311	665,534	-
Patients transported (routine patient transport)		318,563	483,122	619,700	622,205	-

Programme 4

Provincial Hospital Services



Fighting Disease, Fighting Poverty, Giving Hope



1. PROGRAMME 4: PROVINCIAL HOSPITAL SERVICES

1.1 AIM

This programme provides the second level of health care services and incorporates regional and specialised hospitals, inclusive of Tuberculosis, Chronic Medical, Psychiatric and Dental Training Hospitals. This is achieved through the following sub-programmes:

PROGRAMME DESCRIPTION:

Delivery of accessible, appropriate, effective and efficient general specialist services.

PROGRAMME STRUCTURE

Sub-programme 4.1

To render regional hospital services at specialist level.

Sub-programme 4.2

To render hospital services for TB, including multi-drug resistance.

Sub-programme 4.3

To render hospital services for mental health.

Sub-programme 4.4

To render dental health services and provide training for oral health personnel.

Sub-programme 4.5

To render step-down and rehabilitation services to the chronically ill

1.2 ANALYTICAL REVIEW OF PROGRAMME PERFORMANCE

Priorities and Strategic Objectives

Ensure revitalisation of hospital services.

Develop service delivery improvement plans.

Ensure adequate governance of hospitals.

Rationalisation and improvement of quality of services.

The consolidation of the package of services at different levels of care.

Strengthening the referral system.

1.3 REGIONAL HOSPITAL SERVICES

Strengthening of monitoring and evaluation systems to improve the quality of care was given priority. Standardised monitoring tools were developed and implemented to more accurately assess patient waiting times and patient satisfaction. The project was managed in partnership with the University of KwaZulu-Natal.

Draft policies have been developed for TB, Mental Health, and Integrated Child Health, HIV and AIDS.

In an effort to decongest regional hospitals referral protocols in EMRS and Planned Patient Transport (PPT) were enforced. The improved functioning of the PPT has also assisted in the timely repatriation of patients.

Appointment systems have been initiated at St Aidans, King Edward, RK Khan, Prince Mshiyeni

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and Stanger Hospitals to reduce congestion, waiting times and improve patient satisfaction.

Infection control protocols have been implemented and are being monitored by recently appointed Infection Control Managers.

Meditek Patient Administration systems have been installed at a number of regional hospitals. This has improved the quality of patient information available to management to make informed decisions regarding appropriate resource allocation. This patient administration system further enhances potential for revenue generation.

Recruitment and retention of health professionals remains a significant challenge. Delays in infrastructure development and the burden of disease impact negatively on service delivery.

1.4 SPECIALISED TUBERCULOSIS HOSPITALS

The primary aim of this sub-programme is the provision of hospital facilities and services for the treatment of tuberculosis (TB), including MDR and XDR patients.

The HIV and AIDS epidemic has increased the burden of Tuberculosis and the performance of the TB Programme is challenged by sub optimal completion and existing cure rates that are much lower than the national average. The efficiency of the TB Programme has been declining resulting in the development of acquired drug resistant strains. In order to address this problem the Department has developed an additional service platform to supplement the services provided by District Hospitals.

During 2006/07 the Department identified specialised TB hospitals, and introduced the

standardisation of bed and staffing norms in alignment with the STP.

Norms for the Provisioning of TB beds

Year	TB Acute	TB Re-treatment	MDR and XDR TB
2007	.21% per 1000 population	.23% per 1000 population	.14% per 1000 population
2008	.21% per 1000 population	.23% per 1000 population	.14% per 1000 population
2009	.20% per 1000 population	.22% per 1000 population	.12% per 1000 population
2010	.19% per 1000 population	.19% per 1000 population	.12% per 1000 population
2011	.18% per 1000 population	.18% per 1000 population	.10% per 1000 population
2012	.17% per 1000 population	.17% per 1000 population	.10% per 1000 population
2013	.16% per 1000 population	.16% per 1000 population	.8% per 1000 population
2014	.15% per 1000 population	.15% per 1000 population	.8% per 1000 population
2015	.14% per 1000 population	.14% per 1000 population	.6% per 1000 population
2016	.13% per 1000 population	.13% per 1000 population	.6% per 1000 population



The Programme also focused on increasing MDR TB beds, by decentralising MDR TB management to district MDR TB satellite centres.

Essential Specialised MDR TB Services

- Provide specialised treatment for all patients in the province presenting with MDR TB.
- Patients diagnosed with MDR TB will be referred to King George V to initiate treatment, stabilise the condition of the patients and then decant patients to step-down MDR Units for long-term treatment and step-down services.

MDR Step-down Services

- Beds will be provided to provide step-down treatment to MDR TB patients decanted from King George V Hospital.
- Stand-alone MDR TB Units will be established, or an MDR TB Unit will be established as part of package of services provided by District Hospitals.
- In some instances Institutions will provide step-down MDR, Sub-acute and recurrent TB Services.
- A step-down MDR TB Unit will be established within each District.

Sub-acute and Recurrent Step-down Services

- Regional and District Hospitals will initiate treatment for 1st and acute TB patients
- Once stabilised patients will be decanted to Institutions providing health care services sustaining treatment protocols on the sub-acute and recurrent levels.
- On completion of successful treatment protocols, patients will then be decanted to PHC level for monitoring and follow up treatment where necessary.

1.5 SPECIALISED PSYCHIATRIC HOSPITALS

The primary aim of this sub-programme is the provision of hospital facilities and services to mentally ill patients, including the management of substance abuse.

Priorities and Strategic Objectives

Transform psychiatric services to align with the Mental Health Care Act.

Ensure continuum of care from community psychiatric care through Central services.

Establishment of an adolescent unit.

Establishment of a unit for eating disorders.

In the past, the provisioning of Mental Health has suffered from poor planning, racial inequities, fragmentation and inadequate budgets. People with severe psychiatric conditions were frequently treated for long periods in large centralised institutions and conditions were inhumane for many patients. The adoption of a new legislative framework in terms of the Mental Health Act, giving substance to a range of Constitutional imperatives, requires the urgent transformation of the mental health services.

The Department has endeavoured to make a positive change in terms of providing norms to comply with legislative imperatives and to address the needs of mental health patients regarding the provisioning of compassionate, effective and efficient services as close as possible to the area of residence. Existing bed numbers fall well below the international norm.

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The Department has made provision for two categories of Mental Health Services, namely hospital based mental health services and community based mental health services.

Hospital based mental health services includes Psychiatric Hospitals (Category A), Forensic Psychiatric hospitals (Category B) and Specialised Long-Term Psychiatric Hospitals (Category C).

Community based mental health services may be broken down into Type A Services (outpatients and emergency services), Type B Services (Residential Care) and Type C Services (Day Care).

1.6 STEP DOWN AND REHABILITATION TO THE CHRONICALLY ILL

The primary aim of this sub-programme is the provision of hospital facilities and services to patients requiring long-term nursing patients.

During the reporting period the Department took over Richmond Chest Clinic and Ekhulengeni Mental Institution. Of the 5 remaining State-Aided institutions 4 have been accredited as ARV sites, which now render a comprehensive HIV and AIDS service to their respective communities.

3 Subsidised step-down facilities increased their bed numbers to adequately provide a service to step-down patients referred from provincial hospitals.

1.7 DENTAL HEALTH SERVICES

The priorities of this service are to provide primary, secondary and tertiary levels of oral health care to the population of KwaZulu-Natal to improve their oral health status.

The centre serves as a training site for dental therapists, oral hygienists, and dental therapy

assistants redressing the human resource shortages amongst these categories of personnel. The centre updates relevant research to improve the type and quality of oral health care provided to the population. It provides continuing professional development for all categories of oral health personnel as per the requirements of the Health Professionals Council of South Africa.

Challenges faced by this sub-programme include:

- Old and outdated dental equipment which compromises service delivery, student teaching and research.
- Infrastructural defects to buildings which compromise efficient use of equipment.
- Budgetary constraints which prevent the replacement or refurbishment of equipment.

1.8 PRIVATE HOSPITALS

The Department has to ensure that private sector health facilities comply with the applicable legislation, and are conforming to the nationally prescribed norms and standards through the mechanism of inspections.

During the reporting period four new applications for private hospitals and two step-down facilities were approved. A total of 867 beds were approved to various private institutions in the Province. one Cardiac unit was approved.

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Table 22: Performance against targets from 2004/05 strategic plan for the Provincial Hospital Services Programme: Regional and Specialised hospitals

Objective	Indicator	2004/05 (actual)	2005/06 (actual)	2006/07 (actual)	2006/07 (target)
To improve quality of care .	% of Hospitals with effective infection control programmes.	25%	25%	45%	75%
	% of Hospitals utilising quality measurement systems.	25%	25%	45%	80%
	% of Hospitals compliant with set norms and standards.	40%	40%	45%	70%
To ensure adequate governance of hospitals.	% of Hospitals with complete management team.	82%	95%	95%	100%
	% of Hospitals with minutes of the meetings of Hospital Boards.	Not monitored	Not monitored.	100%	100%
To ensure effective referral system (Only applicable to Regional Hospitals).	Number of Hospitals with referral pathway implemented.	Not monitored	Not monitored	70%	70%
	Hospital departments with forum to establish referral pathway.	Not monitored	Not monitored	50%	50%

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Table 23: Regional hospitals

		2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 Strategic Plan Target
Input: General Hospitals						
Expenditure on hospital staff as percentage of total hospital expenditure.	%	68.23%	68.41%	66.46%	68.30%	76.22%
Expenditure on drugs for hospital use as percentage of total hospital expenditure.	%	8.31%	8.09%	7.32%	5.88%	10.50%
Hospital expenditure per uninsured person.	R	R237.31	R228.86	R255.27	R275.43	R265.10
Useable beds.	No	6,491	7,552	7,914	6,510 ¹²	
Psychiatric Hospitals						
Expenditure on hospital staff as percentage of total hospital expenditure.	%	66.48%	69.42%	65.68%	72.95%	72.84%
Expenditure on drugs for hospital use as percentage of total hospital expenditure.	%	R3.39%	1.36%	3.23%	4.35%	2.80%
Hospital expenditure per uninsured person	R	30.68	R31.36	R34.11	R38.31	R40.39
Tuberculosis Hospitals						
Expenditure on hospital staff as percentage of total hospital expenditure.	%	52.56%	52.15%	55.17%	61.45%	50.31%
Expenditure on drugs for hospital use as percentage of total hospital expenditure.	%	2.30%	6.80%	6.86%	10.06%	5.65%
Hospital expenditure per uninsured person	R	R29.81	R28.48	R26.57	R36.01	R46.75
Medical Chronic Hospitals						
Expenditure on hospital staff as percentage of total hospital expenditure.	%	76.64%	79.39%	75.78%	79.80%	61.40%
Expenditure on drugs for hospital use as percentage of total hospital expenditure.	%	8.02%	6.42%	6.71%	6.01%	6.89%

¹² Verified by manual inspection.

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		2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 Strategic Plan Target
Hospital expenditure per uninsured person	R	R6.37	R5.93	R5.66	R8.72	R9.46
Dental training Hospital						
Expenditure on hospital staff as percentage of total hospital expenditure.	%	88.90%	87.21%	89.63%	91.85%	88.81%
Expenditure on drugs for hospital use as percentage of total hospital expenditure.	%	0.79%	0.92%	0%	0%	0%
Hospital expenditure per uninsured person.	R	R0.86	R0.92	R0.92	R0.97	R1.17
Process						
Hospitals with operational hospital board.	%	87%	87%	87%	87%	87%
Hospitals with appointed (not acting) CEO in place.	%	100%	82%	82%	100%	100%
Facility data timeliness rate.	%	100%	100%	100%	100%	100%
Output						
Caesarean section rate.	%	28%	28%	31%	32%	28%
Quality						
Hospitals with a published nationally mandated patient satisfaction survey in last 12 months	%	-	-	88%	100%	100%
Hospitals with clinical audit (M&M) meetings at least once a month.	%	85%	92%	40%	74%	100%

Fighting Disease, Fighting Poverty, Giving Hope

Programme 5

Central Hospital Services





1. PROGRAMME 5: CENTRAL HOSPITAL SERVICES

1.1 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. This is achieved through the following sub-programmes

PROGRAMME DESCRIPTION

Rendering tertiary health services.

PROGRAMME STRUCTURE

Sub-programme 5.1

Rendering of central hospital services.

Sub-programme 5.2

Rendering of tertiary hospital services.

1.2 ANALYTIC REVIEW OF PROGRAMME PERFORMANCE

In each of the three Management Services Areas of the Department there is one Hospital that is responsible for tertiary services. These hospitals are Greys which services the Western Area, Inkosi Albert Luthuli Hospital (IALCH) servicing the South Eastern (and in some instances the whole Province) and Ngwelezane Hospital which services the North Eastern Area.

A Tertiary Hospital is a Health Facility that that provides specialist and sub-specialist health care as defined for Level Three Services.

In the Public Sector, these Hospitals are defined as Tertiary One Hospitals (also called Provincial Tertiary Hospitals). Some Tertiary One Hospitals will also provide a defined range (package) of other specialised services (Group 2 Specialties in Table 24). These are classified as Tertiary

Two Hospitals (also called National Referral Hospitals).

In a very small number of hospitals, currently two, there will be an additional package of sub-specialties (Group 3 Specialties in Table 24). These will be referred to as Tertiary Hospitals (also called Central Referral Hospitals). A Specialised Level Three Hospital will only have one speciality represented (e.g. cardiology or spinal injuries). A General Level Three Hospital will have sub-speciality representation in at least 50% of the range of the Group 1 specialties.

Tertiary Hospitals provide a specialised package of service. These broad categories include the following:

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Table 24: Specialities

Group 1 Specialities	Group 2 Specialities	Group 3 Specialities
Anesthetics	Cardiology	Haematology
Burns	Cardiothoracic Surgery	Liver Transplant
Clinical Pharmacology	Clinical Immunology	Clinical Pharmacology
Critical Care & ICU	Craniofacial Surgery	Dermatology
Dermatology	Endocrinology	Maxillofacial Surgery
Diagnostic Radiology	Geriatrics	
Ear Nose & Throat	Haematology	
Gastroenterology	Human Genetics	
Infectious diseases	Medical & Radiation Oncology	
Mental Health	Neurology	
Neonatology	Neurosurgery	
Nephrology	Nuclear Medicine	
Obstetrics & Gynaecology	Paediatric Sub-Specialties	
Ophthalmology	Renal Transplant	
Paediatric Medicine	Rheumatology	
Paediatric Surgery	Spinal Injuries	
Paediatric ICU		
Plastic & Reconstructive Surgery		
Rehabilitation Centre		
Respiratory Medicine		
Trauma		
Urology		
Vascular Surgery		

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During 2006/07 Inkosi Albert Luthuli Central Hospital (IALCH) commissioned outstanding beds and has a total of 892 beds. This hospital accepted referrals from all provincial regional hospitals, as well as referrals from the Eastern Cape.

Entry and exit criteria for all services at IALCH have been developed. Adherence to these criteria is constantly being monitored.

IALCH has achieved 100% COHSASA accreditation for the period 2006/07 and is currently in the process of a COHSASA review. The Hospital is a Health Promoting Hospital (HPH) site, and during 2006/07, the Hospital was accredited as a Baby Friendly Hospital.

Health promotion activities of IALCH earned the Department a World Health Organisation membership certificate for years 2005-2008.

The Trauma and Burns services were commissioned during 2006/07. A Hospital Board was established in May 2006 and monthly meetings have been held by the Hospital Board since its establishment.

The Hospital has a well-communicated and user-friendly hospital management information system for effective decision-making.

The hospital is fully funded by a conditional grant of R880 million (2006/07). R420 million of this conditional grant is paid over to the Impilo Consortium as a part of the Public-Private-Partnership.

The current status of Greys Hospital for the year 2006/07 is as follows:

Tertiary services are 80% and regional services 20%. These tertiary services are based on the national modernisation of tertiary services policy and the KZN package of services.

Achievements during 2006/07 are aligned to the expansion and strengthening of the tertiary services strategy:

- Completion of a 5-bed ICU.
- Commissioning of the Linear Accelerator Unit.
- Commissioning of the Mammography Unit.
- Completion of the isolation ward.
- Procurement of an X-Ray screening Unit.
- 430 critical posts filled.
- Oncology and lodger mothers' accommodation commenced.
- Improvement of the Telemedicine site.
- Opened a Home Affairs office in the Maternity Block.

The hospital also achieved 94% for the Focus Survey with COHSASA.

Challenges to be addressed relate to the recruitment of nursing staff, the rollout of the Cost Centre Accounting System, and decreasing the waiting time for elective surgery.

Ngwelezane and Lower Umfolozi War Memorial Hospitals continued to provide layered services for the Uthungulu District. Ngwelezane provided 40% tertiary services, 40% regional services, 20% district services, and Lower Umfolozi War Memorial Maternal and Child Health services.

Health Promoting Hospital Status, COHSASA accreditation and Cost Centre Accounting Systems projects have all enhanced quality service delivery in these hospitals.

Quality Assurance includes:

- Quarterly Minimum Standards Surveys
- Clinical audits
- Record reviews
- Client Satisfaction Surveys
- Waiting Time Survey
- 10 Quality Improvement programmes have been implemented



The current 550 beds at Ngwelezana Hospital have been reduced to 480 beds to provide space for the Revitalisation Project. Chief Specialists have been appointed in Radiology, Medicine, Orthopedics, Surgery, Family Medicine, Psychiatry, Anaesthetic and Paediatrics.

The following tertiary services have been strengthened and commissioned at Ngwelezane hospital:

- Cardiology
- Intensive care
- Burns unit
- Hepatobiliary Surgery
- Ophthalmology
- Orthopaedics
- Paediatric surgery
- Oncology surgery
- Vascular surgery
- Spinal injury management
- Emergency care

1.3 CHALLENGES TO IMPROVE TERTIARY LEVELS OF CARE

- It is a great challenge to recruit and retain appropriately skilled staff (Nurses, Doctors, Specialists and Supplementary Personnel).
- Equipment at Grey's and Ngwelezane needs to be replaced. These hospitals are finding it difficult to procure new and replace redundant tertiary equipment efficiently and in a timely fashion.
- All Tertiary Hospitals have completed a satisfaction survey in the last 12 months. However there is still a need to undertake continued and regular assessments of the levels of staff and client satisfaction. The quality assurance capacity in each of the three hospitals also needs to be improved. Inkosi Albert Luthuli Hospital has participated

in the COHSASA programme and has been fully accredited. Grey's Hospital accreditation has lapsed and the hospital is in the process of re-accreditation.

- Tertiary Hospitals are planning to implement the Meditech Hospital Information System and training and use of ICD-10 coding systems has commenced. There is a huge need to improve the use of health data and management by decision-makers in the management of the tertiary institutions.
- Medical and Radiation Oncology, including nuclear medicine, requires urgent and immediate attention. The services are presently only being provided in Durban, mainly at Addington (in the process of being decommissioned) and Inkosi Albert Luthuli Central Hospital. The service will be commissioned at Grey's Hospital.

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Table 25: Performance against targets from the 2004/05 strategic plan for the Central Hospital Services Programme

Measurable Objective	Indicator	2004/05 (actual)	2005/06 (actual)	2006/07 (actual)	2006/07 (target)
To improve management capacity at Tertiary Hospitals.	% Middle managers completed management training pack.	20%	36%	86%	70%
To complete the commissioning of the central/tertiary services.	% Tertiary hospitals with fully commissioned services.	10%	30%	40%	N/A
To ensure that Tertiary Hospitals have infection control policies in place.	% Hospitals that have infection control policies and procedures in place.	20%	50%	70%	100%
	% Compliance with infection control policies.	20%	40%	70%	100%
	Adverse event monitoring systems in place.	0%	0%	70%	80%
Strengthen the use of health information systems.	% Implementation of ICD-10 coding in all hospitals.	0%	50%	60%	100%
	% Hospitals with itemised billing systems in place.	0%	70%	100%	100%
To ensure that all the central and tertiary hospitals are on the COHSASA Programme.	% Clinical audit systems in place by department per hospital.	30%	60%	100%	100%
	% Hospitals with complete management structures in place.	30%	60%	100%	100%
	Number of hospitals with 100% COHSASA accreditation.	1	1	2	2
Attraction and retention of staff.	% Integrated human resource plans linked to facility strategic plan.	10%	40%	100%	100%
	Number of hospitals with strategic plan.	2	3	3	3

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Table 26: Performance Indicators for Ngwelezane/Lower Umfolozi

Indicator	2004/05	2005/06	2006/07	National target 2007/08
Input: NGWELEZANA HOSPITAL				
1. Expenditure on hospital staff as % of hospital expenditure.	-	-	76.87%	70%
2. Expenditure on drugs for hospital use as % of hospital expenditure.	-	-	3.75%	13%
Input: LOWER UMFOLOZI				
3. Expenditure on hospital staff as % of hospital expenditure.	-	-	59.20%	70%
4. Expenditure on drugs for hospital use as % of hospital expenditure.	-	-	11.00%	13%
Process				
5. Operational hospital board.	Yes	Yes	Yes	Yes
6. Appointed (not acting) CEO in place.	Yes	Yes	Yes	Yes
7. Individual hospital data timeliness rate.	100%	100%	100%	100%
Output				
8. Caesarean section rate.	32%	38%	35%	25%
Quality				
9. Patient satisfaction survey completed.	Yes	Yes	Yes	Yes
10. Clinical audit (M&M) meetings.	Yes	Yes	Yes	Yes
Efficiency				
11. Average length of stay.	7.18 days	7.3 days	6.5 days	5.3 days.
12. Bed utilisation rate.	63.1%	66.5%	68%	75%
13. Expenditure per patient day equivalent.	-	-	R 148	R1 877
Outcome				
14. Case fatality rate for surgery separations.	6.3	6.1%	5.8%	3.0%

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Table 27: Performance Indicators for Grey's Hospital

Indicator	2004/05	2005/06	2006/07	National target 2007/08
Input				
1. Expenditure on hospital staff as % of hospital expenditure.	54.20%	64.96%	60.22%	70%
2. Expenditure on drugs for hospital use as % of hospital expenditure.	16.16%	9.21%	9.36%	13%
Process				
3. Operational hospital board.	-	Yes	Yes	Yes
4. Appointed (not acting) CEO in place.	-	Yes	Yes	Yes
5. Individual hospital data timeliness rate.	100%	100%	100%	100%
Output				
6. Caesarean section rate.	61.5%	73%	61.5%	25%
Quality				
7. Patient satisfaction survey completed.		Yes	Yes	Yes
8. Clinical audit (M&M) meetings.		Only quarterly	Only quarterly	Monthly
Efficiency				
9. Average length of stay.	7.7 days	6.53 days	6.0 days	5.3 days
10. Bed utilisation rate.	70.4%	77%	80%	75%
11. Expenditure per patient day equivalent.	No data	R 1273	R 1101	R1 877
Outcome				
12. Case fatality rate for surgery separations.	5.9%	No data	7.7%	3.0%

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Table 28: Performance Indicators for Inkosi Albert Luthuli Hospital

Indicator	2004/05 (Actual)	2005/06 (Actual)	2006/07 (Actual)	National target 2007/08
Input				
1. Expenditure on hospital staff as % of hospital expenditure.	27.73%	27.93%	27.82%	70%
2. Expenditure on drugs for hospital use as % of hospital expenditure.	3.58%	3.86%	4.20%	13%
Process				
3. Operational hospital board.	No	Yes	Yes	Yes
4. Appointed (not acting) CEO in place.	No	No	Yes	Yes
Output				
5. Caesarean section rate.	5%	74%	72%	25%
Quality				
6. Patient satisfaction survey completed.	Yes	Yes	Yes	Yes
7. Clinical audit (M&M) meetings.	Only quarterly	Only quarterly	Only quarterly	Monthly
Efficiency				
8. Average length of stay.	3 days	10 days	10 days	5.3 days
9. Bed utilisation rate.	66%	61%	73%	75%
10. Expenditure per patient day equivalent.	R 2494	R 3855	R 3430	R1 877
Outcome				
11. Case fatality rate for surgery separations.	No data	6%	7%	3.0%

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Table 29: Central Hospital Services

		2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 Strategic Plan Target
Input						
Expenditure on hospital staff as percentage of total hospital expenditure.	%	20.73%	20.73	26.12	27,85%	35%
Expenditure on drugs for hospital use as percentage of total hospital expenditure.	%	3.55%	3.58	6.83	4,16%	7%
Hospital expenditure per uninsured person.	R	R68.80	77.79	817	846	846
Useable beds.	No	492	817	910	910	
Process						
Hospitals with operational hospital board.	Y/N		Y	Y	Y	Y
Hospitals with appointed (not acting) CEO in place.	Y/N		Y	Y	Y	Y
Facility data timeliness rate.	Months		Y	Y	Y	Y
Output						
Caesarean section rate.	%		-	65%	74%	60%
Quality						
Hospitals with a published nationally mandated patient satisfaction survey in last 12 months	%		Y	100%	100%	100%
Hospitals with clinical audit (M&M) meetings at least once a month.	%		Y	50%	80%	100%
Efficiency						
Average length of stay.	Days		7.18 days	10 days	10 days	8 days

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		2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 Strategic Plan Target
Bed utilisation rate (based on useable beds).	%		63.1%	58.7%	62.4%	80%
Expenditure per patient day equivalent.	R		-	R3,472	R3,077	R3,000
Outcome						
Case fatality rate for surgery separations.	%		-	5%	5.5%	7%
Service volumes						
Separations.	No	15,611	10,556	18,479	18,888	20,000
OPD headcounts.	No	131,041	203,228	145,768	154,749	100,000
Day cases (=1 separation = 1/2 IPD).	No	11,089	26,497	641	746	800
Casualty headcount.	No			2,572	3,048	2000
PDEs.	No	174,891	157,469	235,810	240,185	245,000

Programme 6

Health Sciences and Training





1. PROGRAMME 6: HEALTH SCIENCES AND TRAINING

1.1 AIM

The aim of this programme is to provide for coordinated and focused management of human resources. This is achieved through the following sub-programmes.

PROGRAMME DESCRIPTION

The provision of training and development opportunities for existing and potential employees of the Department.

PROGRAMME STRUCTURE

Sub-programme 6.1 Nurse Training College

Training of nurses at both undergraduate and postgraduate level.

Sub-programme 6.2 EMRS Training College.

Training of Emergency Care Practitioners.

Sub-programme 6.3 Bursaries

Provision of bursaries for students studying health science training programmes at undergraduate levels.

Sub-programme 6.4 PHC Training.

Provision of PHC related training for Professional Nurses working in a PHC setting.

Training (Other)

Provision of skills development interventions for all occupational categories.

1.2 ANALYTICAL REVIEW OF PROGRAMME PERFORMANCE

1.2.1 BURSARIES

602 bursaries were allocated to existing students for the 2007 academic year. A projected 240 new (first time) bursaries would have been allocated to applicants in the 4th quarter (2007 academic year). The target therefore was 842 active bursaries for the 2006/07 financial year. It must be noted that 109 of the approved 237 new bursary applicants were not accepted at the tertiary Institutions where they applied to study because of poor matric results, change in field of study and equity placements at tertiary institutions. It must further be noted that of the 62 existing KwaZulu-Natal students, 65 failed their 2006 academic year and were not promoted to the next level of study in 2007. These students will repeat the failed academic year at their own cost.

1.2.2 PRIMARY HEALTH CARE

Primary Health Care is at the heart of the plans to transform the health services in South Africa. In order for this to happen, training in PHC takes place at local colleges and tertiary institutions in the Province. In order to monitor outstanding services from nursing personnel this component co-ordinates the annual Cecelia Makiwane awards for the Province who enters the national competition. For year end 2006 the KwaZulu-Natal winner, Sr. Ramkilowan, of Hlabisa Hospital was placed 1st nationally.

The PHC Nurse Training component has been structurally located within the KwaZulu-Natal College of Nursing.



1.2.3 SKILLS DEVELOPMENT

The People Development Component is responsible for the provision of skills development training for Professional Nurses working in a PHC setting. The component has faced the following challenges during the reporting period:

- Limited number of accredited providers.
- Delay in filling of practitioner posts at institutional level.
- Fragmented evaluation systems could not determine the impact of training and development..

The component was successful in implementing the following programmes:

- ABET.
- Learnerships.
- Internships.
- Management and Leadership Training.
- Creation of mid-level workers.

1.2.4 NURSING EDUCATION

In September 2006 the KwaZulu-Natal College of Nursing awarded qualifications to 2,900 nurses after graduation.

1.2.5 EMRS

The 2006/07 target for ILS training was to train 144 staff members to obtain the ILS qualification i.e. 6 courses of 24 learners on each course. Staff shortages and the lack of residential accommodation for learners meant that only 3 of the planned 6 courses were run. One ALS course was held in the reporting period and 8 candidates were successful.

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Table 30: Specification of measurable objectives and performance indicators of the Health Sciences and Training Programme

Sub-programme	Objectives (Outputs)	Indicator	Performance				
			2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 Strategic Plan Target
Health Sciences and Training Programme.	To provide cost effective Training of Nurses	No of ENAs trained	138	141	76	66	55
		No of ENs trained	364	752	600	689	545
Nurse training colleges.		No of Bridging students trained	315	308	334	349	300
		No of RNs trained	308	262	318	344	320
PHC Training.		No of post basic graduates	342	323	457	499	490
		PHC nurses trained	226	230	230	256	200
Bursaries.	Ensure appropriate development of HR via bursaries.	Students in tertiary institutions	600	709	730	733	842
EMRS training college.	To increase ILS training.	No of ILS	73	46	47	71	144
	Provide ALS.	No of ALS trainers	20	18	16	8	24

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Sub-programme	Objectives (Outputs)	Indicator	Performance				
			2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 Strategic Plan Target
Human Resource Management.	Development of Human Resource Plan.	Finalised HR plan.	N/A	100% (MANCO approval pending)	Implementation of plan.	HR norms developed	100%
	Finalisation of post established.	N/A	100%	100%	Restructuring.	Restructuring.	100%
	Implement PMDS.	N/A	N/A	N/A	100%	M&E	100%
	Consolidation of recruitment & retention strategy.	Implementation of policy.	N/A	N/A	100% implementation.	Policy being revised.	100%
	Realignment of HR portfolio.	HR posts decentralised.	N/A	N/A	80%	100%	100%
	Decentralise HR delegations.	Decentralised delegations effected by institutions.	N/A	N/A	80%	100%	100%
	Management capacity building.	Training received.	N/A	80%	100%	100%	100%
	Effective management of misconduct cases.	Backlogs cleared.	N/A	N/A	80%	80%	100%
	Compliance with NMIR on Persal.	Updating information.	N/A	Backlogs	100%	Alignment with new structure.	100%
	Persal training needs established.	Database updated.	N/A	N/A	11 districts.	100%	100%

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Table 31: Health, Professionals Training and Development Grant

		2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 Strategic Plan Target
Input						
Intake of medical students.	No	402	361	365	394	374
Intake of nurse students.	No	2403	2450	2455	51	2475
Students with bursaries from the Province.	No	692	567	612	733	590
Process						
Attrition rates in first year of medical school.	%	0%	0%	0.7%	0%	10%
Attrition rates in first year of nursing school.	%	0.4%	0.4%	0.4%	0%	10%
Output						
Basic medical students graduating.	No	79	79	80	97	85
Basic nurse students graduating.	No	1147	1150	1152	26	1160
Medical registrars graduating.	No	0	0	0	¹³	0
Advanced nurse students graduating.	No	384	409	450	¹³	510
Efficiency						
Average training cost per nursing graduate.	R	62,000	67,000	72,000	77000.00	80,000
Development component of HPT & D grant spent.	%	n/a	n/a	n/a	¹³	100%

¹³ No Data available at time of going to press.

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Table 32: Human resources management

		2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Actual	2006/07 Strategic. Plan Target
Input						
Medical officers per 1000 people.	No	10.08	11.63	14	16	14
Medical officers per 1000 people in rural districts ²	No	6.53	9.77	9	10.5	9
Nurses per 1000 people.	No	96.33	96.52	101	103	101
Nurses per 1000 people in rural districts.	No	75.69	101.16	84	88	84
Pharmacists per 1000 people.	No	2.17	2.5	10	15	10
Pharmacists per 1000 people in rural districts.	No	0.81	1.65	5	8	5
Process						
Vacancy rate for nurses.	%	22.29%	26.93%	19%	17%	19%
Attrition rate for doctors.	%	152.98%	79.77%	90%	60%	90%
Attrition rate for nurses.	%	10.91%	11%	12%	13%	12%
Absenteeism for nurses.	%	105.36%	124.05%	10%	50%	70%
Output						
Doctors recruited against target.	%	63.29%	61.11%	67%	71%	67%
Pharmacists recruited against target.	%	54.55%	59.8%	56%	58%	56%
Nurses recruited against target.	%	77.71%	73.07%	82%	86%	82%
Community service doctors retained.	%	95.39%	88.01%	90%	85%	90%
Quality						
Facilities with employee satisfaction survey.	%	n/a	10%	20%	30%	20%
Efficiency						
Nurse clinical workload (PHC).	Ratio	n/a	1:8000	1:8085	1:8333	1:8085
Doctor clinical workload (PHC).	Ratio	n/a	1:170000	1:165000	1:155000	1:165000
Outcome						
Surplus staff as a percentage of establishment	%	n/a	None.	None.	None	None.

Programme 7

Health Care Support Services





1 PROGRAMME 7: HEALTH CARE SUPPORT SERVICES

1.1 AIM

The aim of health care support services is to render support services required by the Department.

PROGRAMME DESCRIPTION:

To render support services required by the Department

PROGRAMME STRUCTURE:

Sub Programme 7.1

Medicines Trading Account

The implementation of this arrangement resulted in the reduction of “stock-outs” to the absolute minimum and service delivery enhancement through:

- The delivery, at least once every two weeks, of pharmaceutical items to all PHC Clinics serviced by the Central Pharmaceutical Supply Store (CPSS).
- Enhanced stock control.
- Requests/requisitions are screened against the historical provisioning profile of facilities and discrepancies addressed.
- Reduction of “waiting times” as “high volume” items are “pre-packed” and “pre-labelled” at the CPSS according to the standard dispensing dosage.
- Strengthening planning/procurement processes.

1.2 ANALYTICAL REVIEW OF PROGRAMME PERFORMANCE

The procurement, storage and distribution of medicines to public health care facilities is the core function of the Provincial Medical Supply Centre (PMSC).

The Service was initially tasked to procure pharmaceutical supplies in bulk for District Hospitals. Pharmacies attached to District Hospitals were likewise responsible to support PHC Clinics falling within the catchment area.

This arrangement unfortunately (due to the shortage of Pharmacists) resulted in severe breakdowns in the health service delivery chain with unacceptable high level of “stock out” at PHC Clinics and PHC Mobiles. The mandate of the PMSC was therefore extended to ensure an un-interrupted flow of pharmaceutical supplies directly to PHC Clinics ARV-sites.

Provincial Priorities

Ensure compliance with the registration requirements of the South African Pharmacy Council for a Pharmaceutical Warehouse Facility.

Improve operational efficiency through the implementation of an electronic warehouse management system to replace all manual systems.

Develop mechanisms, within the limitations set by the Standard Stock Account to develop a “buffer stock” capacity for critical pharmaceutical items.

Streamline requisition processes via remote Demander Modules (RDMs)

Conclude tender processes for the provisioning of courier services.

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Table 33: Performance against targets from the 2004/05 strategic plan for the Health Care Support Services Programme

Sub-programme	Objectives (Outputs)	Indicator	Performance				2006/07 Strategic Plan Target
			2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Actual	
Medicines Trading Account	Improve supplier stock outs	Adequate standard Stock Account.	R 40 mil	R51 mil	R58,6 mil	R88,16 mil	R87 mil
	Adequate Stockholding.	Annual Turnover.	R 590	R 634 mil	R 765 mil	R 832 mil	R 750 mil
	Sufficient end user stock.	First time filling of requisitions	95%	93%	94%	94%	95%
	Direct distribution to all PHC clinics.	% of clinics receiving direct delivery.	100%	100%	100%	100%	100%

Programme 8

Facilities Management





1. PROGRAMME 8: HEALTH FACILITIES MANAGEMENT PROGRAMME

1.1 AIM

The aim of the Programme is to provide adequate and well-designed infrastructure for the delivery of compassionate, effective and efficient health services to communities, as well as the strengthening of infrastructure provisioning for the PHC system to function optimally.

This is achieved through the following sub-programmes

PROGRAMME DESCRIPTION

To provide new health facilities, upgrading and maintenance of existing health facilities, including the management of the Hospital Revitalisation Programme and concomitant Conditional Grant.

PROGRAMME STRUCTURE

**Sub Programme 8.1
Community Health Services**
(PHC Clinics and Community Health Centres).

**Sub Programme 8.2
District Hospitals.**

**Sub Programme 8.3
Emergency Medical Rescue Services.**

**Sub Programme 8.4
Provincial Hospital Services.**

**Sub Programme 8.5
Tertiary and Central Hospital Services.**

**Sub Programme 8.6
Other Facilities.**

1.2 ANALYTICAL REVIEW OF PROGRAMME PERFORMANCE

Policies

The most recent policies that have been approved include the following:-

- Policy on the Design of Electrical Installations.
- Policy on the Design of Mechanical Installations.
- Policy on the Design of Structural Installations.

Strategic Objectives

The primary focus areas of this Programme are to manage the physical facilities of the Department, to provide new facilities, to maintain existing structures and to conduct facility audits. This is underpinned by the following objectives:

- Effective maintenance of buildings and engineering installations.
- Efficient engineering installations.
- Cost effective maintenance of medical equipment.

Key strategies to reduce the maintenance backlog are as follows:

- Steps have been taken to encourage Institutions to undertake maintenance initiatives under R 200 000 by utilising centrally prepared specifications.
- Implementation of more flexible procurement of services by use of Fixed Term Contacts to eliminate procurement delays.
- Institutions have been encouraged to staff vacant posts within the Technician/Artisan Occupational Categories.
- With the introduction of the VCT and PMTCT Programmes steps have been taken to supply Mobile Homes as interim facilities.
- Compliance with statutory obligations (for example mortuaries, pharmacies etc.). A detailed investigation has been undertaken into both the Forensic and Hospital Mortuaries

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to establish compliance and identify the extent of upgrade work requirements.

- A survey is currently underway to list upgrade requirements in order for all Pharmacies to comply with the provisions of the Pharmacy Act, 2003.

The Department is, as part of its stated objective to assist with the reduction of poverty in the Province, exploring options to “outsource” the washing of “non critical” items to Cooperatives. This approach will reduce the pressure on the laundries and assist with initiatives to properly maintain/upgrade the “ageing” laundry equipment.

CHALLENGES

The significant constraints experienced are:

The availability of funds for maintenance and rehabilitation.

The capacity of the KwaZulu-Natal Department of Works to adequately undertake the work.

The lengthy provincial procurement policy.

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

The Department is still experiencing serious problems with the Department of Works performance and the backlog in projects remains excessive. They are addressing the matter but little significant progress has been made.

It is becoming increasingly difficult to find persons with the required background and technical skills.

Support systems (including information) have unfortunately not been aligned with the format of the Strategic Plan and accordingly it makes it difficult to report on items as required.

These constraints may be addressed by:

- The “outsourcing” of contracts which will alleviate the inadequate capacity at the KwaZulu-Natal Department of Works. Steps

have also been taken to enter into a Service Level Agreement with the Department of Health, which is likely to speed up service delivery.

- The facilitation of “period contracts” which will overcome the impediments faced by lengthy provincial procurement policy.
- Use is being made of Ithala and the Independent Development Trust (IDT) to assist in the roll out of urgent projects such as Clinics and VCT Centres as well as the redevelopment of Hlabisa Hospital.
- An urgent investigation is to be undertaken into the possibility of moving the Revitalisation projects to the Construction Management Process in an effort to speed up the process.

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Table 34: Progress Report

Project Number	Project Name	Project Status	Programmed Completion	Notes
KZN 001	King George V Hospital	Current	End 2008/09	3 major contracts currently underway
KZN 002	Empangeni Group Hospitals	Current	End 2008/09	2 large contracts underway
KZN 003	Dr Pixley Seme Memorial Hospital	Approved	End 2009/10	Appointments for the environmental impact assessment, geographical and traffic surveys have been done. An advertisement has been placed for the design and construction, based on a RFP principal
KZN 004	Dr John Dube Memorial Hospital	Approved	End 2008/09	
KZN 006	Madadeni Hospital	Approved	End 2009/10	
KZN 005	Hlabisa Hospital	Current	End 2008/09	Project is being undertaken by IDT as an extension of the current project

This Grant has however been adversely effected by significant reductions of R47,892 million against 2007/2008, R277,631 million against 2008/2009 and 199,156 million against 2009/2010 through re-prioritisation by National Health. With the exception of King George V, Hlabisa and Dr Pixley Seme Hospitals, all other projects will be placed on hold.

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Table 35: Specification Of Measurable Objectives And Performance Indicators Of The Health Facilities Management Programme (7 Year Planning Horizon)

Programme	Province wide total	Province total annual	Annualised 2006/07											
			DC21	DC22	DC23	DC24	DC25	DC26	DC27	DC28	DC29	DC43	DBN	
Programme 1														
MECs office & Administration ¹	0	0	-	-	-	-	-	-	-	-	-	-	-	-
Programme 2														
Clinics & CHC's	1,565,265	126,725	12,950	16,387	18,178	7,797	6,931	15,137	6,394	15,717	5,378	8,669	13,187	
Mortuaries	70,000	17,720	1,242	2,643	855	461	465	1,140	318	457		9,030	1,109	
District hospitals	1,180,963	166,421	12,022	3,587	252	22,786	1,960	10,305	59,216	16,450	24,597	5,327	9,919	
Programme 3														
EMRS infrastructure	27,153	3,606	146	600	1,212		193	1,245		210				
Programme 4		0												
Regional Hospitals	628,173	223,324	6,296	2,098	3,394		861	2,179		46,751	9,066		152,679	
Psychiatric hospitals	96,761	3,285		3,285										
TB hospitals	369,418	0												
Other specialised hospitals	10,955	0												
Programme 5		0												
Provincial tertiary and national tertiary hospitals	46,802	4,030		4,030										
Other programmes¹		0												
Such as nursing, EMS colleges, etc	162,351	11,874		9,278					865				1,724	
Total all programmes	4,122,797	556,985	32,656	41,908	23,891	31,044	10,410	30,006	66,793	79,585	39,048	23,026	178,618	

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Table 36: Performance indicators for health facilities management

Indicator	Type	2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Target	2008/09 Target	National Target 2008/09
Input							
Equitable share capital programme as percentage of total health expenditure							
Hospitals funded on revitalisation programme	%	7.9%	9.5%	8.3%	4.2%	4.2%	25%
Expenditure on facility maintenance % of total health expenditure	%	2%	2%	1.8%	3%	4%	4%
Expenditure on equipment maintenance as % of total health expenditure	%	-	-	-	-	-	4%
Process							
Hospitals with up to date asset register	%	35%	45%	55%	65%	75%	100%
Districts with upto date PHC asset register (excluding hospitals)	%	60%	65%	70%	75%	80%	100%
Quality							
PHC facilities with access to basic infrastructural services							
a) Piped water	%	86%	97%	97%	97%	97%	100%
b) Mains electricity	%	100%	100%	100%	100%	100%	100%
c) Fixed line telephone	%	98%	99%	100%	100%	100%	100%
Average backlog of service platform by programme 2							
d) PHC facilities	%						15%
e) District hospitals	%						15%
f) Regional hospitals	%						15%
g) Psych/TB Chronic and specialised hospitals	%						15%
h) Provincial tertiary and national tertiary hospitals	%						15%
i) Provincially aided hospitals	%						15%
Efficiency							
Projects completed on time (define)	%						
Project over budget	%						

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Indicator	Type	2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Target	2008/09 Target	National Target 2008/09
Outcome							
Level 1 beds per 1000 uninsured population	Value			0.8	0.9	0.9	0.9
Level 2 beds per 1000 uninsured population	Value			1.3	1.4	1.5	0.9
Population within 5km of fixed PHC facility	%			78.8%	75.6%	72.4%	95%

Table 37: Provincial Objectives and Performance Indicators for Infrastructure Development

Objective	Indicator	2004/05 (Actual)	2005/06 (Actual)	2006/07 (Actual)	2006/07 (target)
To ensure that all Districts have EMRS bases.	Number of Bases in the Province.	55	65	75	85
Ensure that physical facilities conform to OHSA.	% facilities adherent to OHSA.	55%	65%	75%	85%
All health facilities to have Multi-Year Development Plans in place that are aligned with the STP.	% facilities with infrastructure development plans.	Not measured.	Not measured.	55%	65%
Hospital revitalisation. .	Number of revitalisation facilities with infrastructure development plans..	Not measured	Not measured.	Not measured	75
	Number of mortuaries.	Note measured	No mortuaries.	No mortuaries.	6
	% Equipment against baseline.	Not measured.	Not measured.	Not measured.	70%
	CHC development.	Number of CHCs.	16	16	
	Clinic Infrastructure (Electricity, water & lights)	100%	100%	100%	100%

Part C

Human Resource Management





1. HUMAN RESOURCE MANAGEMENT

1.1 Service Delivery

Table 1.1 – Main services provided and standards

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
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 appointments.	Appropriately placed personnel.
Labour Relations.	All employees in the hospital.	None.	Awareness of Conditions of Service and Labour Relations prescripts.	Competence developed at district and institutional levels to deal with labour relations cases.
Evaluation of posts.	Employees in the Department.	None.	Appropriate level of posts determined.	Appropriate skills mix and competencies identified in order to compliment Department's organogram.

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Table 1.2 – Consultation arrangements with customers

Type of arrangement	Actual Customers	Potential Customers	Actual achievements
Institutional Management and Labour Committees (IMLC).	Employees Organised Labour and Management.	None.	Committees at each institution provide first level intervention.
Bargaining Chamber.	Employees Organised Labour and Management.	None.	Chamber provides an appropriate forum to resolve disputes emanating from IMLCs.
Human Resource Management Forum.	Employees.	Organised Labour.	Allows first level contact with all Districts.

Table 1.3 – 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 1.4 – Service information tool

1.1.1.4 Types of information tool	Actual achievements
Information Kiosks	Information disseminated through these mechanism to build capacity with raised awareness of staff and customers.
Departmental website	
Telemedicine	
Teleconferencing	

Table 1.5 – Complaints mechanism

1.1.1.6 Complaints Mechanism	Actual achievements
Grievance procedure.	Fully operational.
Dispute resolution mechanism.	Fully operational.



2. Expenditure

TABLE 2.1 – Personnel costs by programme, 2006/07

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Personnel cost as a percent of total expenditure	Average personnel cost per employee (R'000)
Programme 1: Administration	224,899	114,693			51.00	2
Programme 2: District Health Services	5,370,300	3,331,159			62.03	56
Programme 3: Emergency Medical Services	474,024	282,147			59.52	5
Programme 4: Provincial Hospital Services	3,138,946	2,148,592			68.45	36
Programme 5: Central hospital Services	1,191,810	433,175			36.35	7
Programme 6: ¹ Health Sciences and Training	421,069	319,060	*		75.77	5
Programme 7: Health Care Support Services	29,560	0			0	0
Programme 8: Health Facilities Management	813,208	0			0	0
Total²	11,663,816	6,628,826	421 069 000		56.83	111

¹ * The total expenditure of R 421 069m for Programme 6: Health Sciences & Training relates to training.

² Please note this figure differs from the item Personnel Expenditure in Table 2.4 as the latter includes government contributions to pensions etc, which are not included in this table.

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TABLE 2.2 – Personnel costs by salary bands, 2006/07

Salary bands	Personnel Expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	626,260	9.4	56,603
Skilled (Levels 3-5)	1,884,878	28.2	69,901
Highly skilled production (Levels 6-8)	2,584,220	38.7	147,299
Highly skilled supervision (Levels 9-12)	1,205,754	18	318,225
Senior management (Levels 13-16)	134,910	2	435,194
Other	382	0	3,570
Periodical Remuneration	20,171	0.3	18,557
Abnormal Appointment	119,566	1.8	42,901
Total	6,576,141	98.4	103,312

The following tables provide a summary per programme (Table 2.3) and salary bands (Table 2.4), of expenditure incurred as a result of salaries, overtime, home owners allowance and medical assistance. In each case, the table provides an indication of the percentage of the personnel budget that was used for these items.

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TABLE 2.3 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by programme, 2006/07

Programme	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Programme1: Administration	89,551	59.3	9,928	6.6	1,499	1	5,159	3.4
Programme2: District Health Services	2,286,725	67.3	115,063	3.4	49,267	1.5	153,562	4.5
Programme3: Emergency Medical Services	1,75,992	62.5	43,498	15.5	4,209	1.5	14,263	5.1
Programme5: Provincial Hospital Services	1,396,716	67.4	115,256	5.6	32,060	1.5	91,723	4.4
Programme6: Central Hospitals.	267,976	63.4	32,869	7.8	4,900	1.2	17,507	4.1
Programme6: Health Sciences & Training.	233,939	70.5	20,322	6.1	2,213	0.7	13,548	4.1
Donor funds	0	0	0	0	0	0	0	0
Persal Agencies	1,995	64.9	189	6.1	41	1.3	124	4
Trading accounts	9,793	61.4	1,399	8.8	262	1.6	691	4.3
Total	4,462,687	66.8	338,524	5.1	94,451	1.4	296,577	4.4

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TABLE 2.4 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands, 2006/07

Programme	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Programme1: Administration	89,551	59.3	9,928	6.6	1,499	1	5,159	3.4
Programme 2: District Health Services.	2,286,725	67.3	115,063	3.4	49,267	1.5	153,562	4.5
Programme3: Emergency Medical Services.	175,992	62.5	4,3498	15.5	4,209	1.5	14,263	5.1
Programme4: Provincial Hospital Services.	139,6716	67.4	115,256	5.6	3,2060	1.5	91,723	4.4
Programme5: Central Hospitals.	267,976	63.4	32,869	7.8	4,900	1.2	17,507	4.1
Programme6: Health Sciences & Training.	233,939	70.5	20,322	6.1	2,213	0.7	13,548	4.1
Donor funds	0	0	0	0	0	0	0	0
Persal agencies	1,995	64.9	189	6.1	41	1.3	124	4
Trading accounts	9,793	61.4	1,399	8.8	262	1.6	691	4.3
Total	4,462,687	66.8	338,524	5.1	94,451	1.4	296,577	4.4



3. Employment and vacancies

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment. This information is presented in terms of three key variables: - programme (Table 3.1), salary band (Table 3.2) and critical occupations (Table 3.3). Table 3.3 provides establishment and vacancy information for the key critical occupations of the department. The vacancy rate reflects the percentage of posts that are not filled.

TABLE 3.1 – Employment and vacancies by programme, 31 March 2007

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Programme1: Administration	1,039	632	39.2	4
Programme 2: District Health Services.	50,147	31,816	36.6	4
Programme3: Emergency Medical Services.	3,504	2,803	20	0
Programme4: Provincial Hospital Services.	25,516	1,7421	31.7	0
Programme5: Central Hospitals.	4,890	2,999	38.7	1
Programme6: Health Sciences & Training.	5,309	3,928	26	0
Persal Agencies	30	14	53.3	1
Trading Accounts	136	130	4.4	0
Total	90,571	59,743	34	10

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TABLE 3.2 – Employment and vacancies by salary bands, 31 March 200

Salary band	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2)	15,642	10,811	30.9	0
Skilled (Levels 3-5)	36,249	26,630	26.5	0
Highly skilled production (Levels 6-8)	30,759	17,667	42.6	4
Highly skilled supervision (Levels 9-12)	7,457	4,396	41	5
Senior management (Levels 13-16)	459	234	49	1
Other	5	5	0	0
Total	90,571	59,743	34	10

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TABLE 3.3 – Employment and vacancies by critical occupation, 31 March 2007

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Ambulance and related workers	3,282	2,591	21.1	0
Dental practitioners	107	63	41.1	0
Dental specialists	8	6	25.0	0
Dental therapy	66	28	57.6	0
Dieticians and nutritionists	3,334	77	97.7	0
Emergency services related	38	25	34.2	0
Environmental health	262	201	23.3	0
Health sciences related	1,145	746	34.8	2
Medical practitioners	4,152	2565	38.2	0
Medical research and related professionals	21	11	47.6	0
Medical specialists	1,349	590	56.3	0
Medical technicians/technologists	634	99	84.4	0
Nursing assistants	7,817	5977	23.5	0
Occupational therapy	232	104	55.2	0
Oral hygiene	49	23	53.1	0
Pharmaceutical assistants	963	549	43.0	0
Pharmacists	1,677	439	73.8	0
Physiotherapy	479	212	55.7	0
Professional nurse	18,143	10578	41.7	0
Psychologists and vocational counsellors	143	62	56.6	0
Radiography	878	451	48.6	0
Social work and related professionals	418	160	61.7	0
Speech therapy and audiology	128	72	43.8	0
Staff nurses and pupil nurses	11,375	8641	24	0
Student nurse	2,372	1872	21.1	0
Total	59,072	36,142	38.8	2

The information in each case reflects the situation as at 31 March 2007. For an indication of changes in staffing patterns over the year under review, please refer to section 5 of this report.



4. Job evaluation

The Public Service Regulations, 1999 introduced job evaluation as a way of ensuring that work of equal value is remunerated equally. Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. This was complemented by a decision by the Minister for the Public Service and Administration that all SMS jobs must be evaluated before 31 December 2002.

The following table (Table 4.1) summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

TABLE 4.1 – Job Evaluation, 1 April 2006 to 31 March 2007

Salary band	Number of posts	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number upgraded	% of posts evaluated	Number down-graded	% of posts evaluated
Lower skilled (Levels 1-2)	15,642	1	0	0	0	0	0
Skilled (Levels 3-5)	36,249	171	0.5	2	1.2	1	0.6
Highly skilled production (Levels 6-8)	30,759	59	0.2	2	3.4	2	3.4
Highly skilled supervision (Levels 9-12)	7,457	179	2.4	0	0	0	0
Senior Management Service Band A	369	20	5.4	0	0	0	0
Senior Management Service Band B	85	2	2.4	0	0	0	0
Senior Management Service Band C	4	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
Other	5	0	0	0	0	0	0
Total	90571	432	0.5	4	0.9	3	0.7

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The following table provides a summary of the number of employees whose salary positions were upgraded due to their posts being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could be vacant.

TABLE 4.2 – Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2006 to 31 March 2007

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a disability	0	0	0	0	0

The following table summarises the number of cases where remuneration levels exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

TABLE 4.3 – Employees whose salary level exceed the grade determined by job evaluation, 1 April 2006 to 31 March 2007 (in terms of PSR 1.V.C.3)

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Total Number of Employees whose salaries exceeded the level determined by job evaluation in 2006/07				
Percentage of total employment				

Table 4.4 summarises the beneficiaries of the above in terms of race, gender, and disability.

TABLE 4.4 – Profile of employees whose salary level exceed the grade determined by job evaluation, 1 April 2006 to 31 March 2007 (in terms of PSR 1.V.C.3)

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a disability	0	0	0	0	0

Employees with a disability

[If there were no cases where the remuneration bands exceeded the grade determined by job evaluation, use the following table as TABLE 4.3]

Total Number of Employees whose salaries exceeded the grades determined by job evaluation in 2006/ 07 None



5. Employment changes

This section provides information on changes in employment over the financial year.

Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band (Table 5.1) and by critical occupations (Table 5.2).

TABLE 5.1 – Annual turnover rates by salary band for the period 1 April 2006 to 31 March 2007

Salary Band	Number of employees per band as on 1 April 2006	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	1,1072	2145	709	6.4
Skilled (Levels 3-5)	2,3227	6,635	2,484	10.7
Highly skilled production (Levels 6-8)	17,343	2,016	2,399	13.8
Highly skilled supervision (Levels 9-12)	3,425	567	542	15.8
Senior Management Service Band A	160	21	24	15
Senior Management Service Band B	27	1	1	3.7
Senior Management Service Band C	3	0	0	0
Senior Management Service Band D	1	0	0	0
Other	107	73	97	90.7
Total	55365	11458	6256	11.3

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TABLE 5.2 – Annual turnover rates by critical occupation for the period 1 April 2006 to 31 March 2007

Occupation:	Number of employees per occupation as on 1 April 2006	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Ambulance and related workers	2454	227	73	3
Dental practitioners	62	20	20	32.3
Dental specialists	6	4	3	50
Dental therapy	30	4	5	16.7
Dieticians and nutritionists	70	33	33	47.1
Emergency services related	4	30	0	0
Environmental health	207	77	75	36.2
Health sciences related	551	26	41	7.4
Medical practitioners	2,427	1,035	700	28.8
Medical research & related professionals	6	5	2	33.3
Medical specialists	548	100	122	22.3
Medical technicians/technologists	472	30	406	86
Nursing assistants	6,209	1322	759	12.2
Occupational therapy	103	54	45	43.7
Oral hygiene	21	2	1	4.8
Pharmaceutical assistants	389	120	28	7.2
Pharmacists	408	132	93	22.8
Physiotherapy	191	93	64	33.5
Psychologists and vocational counsellors	64	30	31	48.4
Radiography	412	90	71	17.2
Social work and related professionals	104	42	9	8.7
Speech therapy and audiology	58	38	22	37.9
Staff nurses and pupil nurses	8,267	1125	996	12
Student nurse	2,231	570	173	7.8
Total	25,294	5,209	3,772	14.9

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Table 5.3 – Reasons why staff are leaving the department

Termination Type	Number	% of total
Death	684	10.9%
Resignation	2,461	39.3%
Expiry of contract	1,192	19.1%
Dismissal – operational changes	0	0%
Dismissal – misconduct	135	18.2%
Dismissal – inefficiency	4	0.1%
Discharged due to ill-health	205	3.3%
Retirement	530	8.5%
Transfers to other Public Service Departments		
Other	41	0.7%
Total	5,252	100%
Total number of employees who left as a % of the total employment		11.3%

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Table 5.4 – Promotions by critical occupation

Occupation	Employees as at 1 April 2006	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
Ambulance and related workers	2,454	117	4.8	871	35.5
Dental practitioners	62	3	4.8	5	8.1
Dental specialists	6	0	0	1	16.7
Dental therapy	30	0	0	16	53.3
Dieticians and nutritionists	70	12	17.1	19	27.1
Emergency services related	4	5	125	3	75
Environmental health	207	0	0	65	31.4
Medical practitioners	2,427	455	18.7	95	3.9
Medical research & related professionals	6	0	0	0	0
Medical specialists	548	111	20.3	21	3.8
Medical technicians/technologists	472	17	3.6	296	62.7
Nursing assistants	6,209	35	0.6	3,279	52.8
Occupational therapy	103	5	4.9	30	29.1
Optometrists and opticians	10	1	10	1	10
Oral hygiene	21	2	9.5	9	42.9
Pharmaceutical assistants	389	20	5.1	160	41.1
Pharmacists	408	124	30.4	80	19.6
Physiotherapy	191	75	39.3	46	24.1
Professional nurse	9,797	1789	18.3	3,836	39.2
Psychologists and vocational counsellors	64	3	4.7	14	21.9
Radiography	412	149	36.2	147	35.7
Social work and related professionals	104	56	53.8	35	33.7
Speech therapy and audiology	58	5	8.6	9	15.5
Staff nurses and pupil nurses	8,267	265	3.2	3,344	40.4
Student nurse	2231	15	0.7	601	26.9
Total	34550	3264	9.4	12983	37.6

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Table 5.5 – Promotions by salary band

Salary Band	Employees 1 April 2006	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1-2)	11,072	90	0.8	6,152	55.6
Skilled (Levels 3-5)	23,227	651	2.8	11,761	50.6
Highly skilled production (Levels 6-8)	17,343	2,848	16.4	5,338	30.8
Highly skilled supervision (Levels 9- 12)	3,425	1,026	30	718	21
Senior management (Levels 13-16)	191	52	27.2	6	3.1
Other	107	0	0	5	4.7
Total	55,365	4,667	8.4	23,980	43.3



6. Employment equity

The tables in this section are based on the formats prescribed by the Employment Equity Act, 55 of 1998.

6.1 – Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2007

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Technicians and associate professionals									
Legislators, senior officials and managers	29	0	6	9	27	4	4	9	88
Professionals	3,395	89	1,338	615	13,709	448	2,625	973	23,192
Clerks	1,639	42	475	42	2,717	142	482	249	5788
Service and sales workers	4,316	62	660	43	12,380	301	700	206	18,668
Craft and related trades workers	241	41	92	132	10	1	1	0	518
Plant and machine operators and assemblers	735	17	106	2	108	4	9	2	983
Elementary occupations	3,234	51	366	40	6,186	130	346	110	10,463
Other	16	0	1	0	24	0	1	1	43
Total	13,605	302	3,044	883	35,161	1,030	4,168	1,550	59,743
Employees with disabilities	52	8	22	1	40	1	7	5	136

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6.2 – Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2007

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	4	0	0	1	1	0	0	0	6
Senior Management	43	3	62	52	21	4	18	21	224
Professionally qualified and experienced specialists and mid-management	677	27	674	387	1,045	54	673	341	3,878
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	2,069	102	884	282	11,042	399	1,953	808	17,539
Semi-skilled and discretionary decision making	6,692	121	1,103	101	16,824	489	1,275	329	26,934
Unskilled and defined decision making	4,095	49	281	35	6,197	84	238	43	11,022
Not defined	25	0	40	25	31	0	11	8	140
Total	1,3605	302	3,044	883	35,161	1,030	4168	1,550	59,743

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6.3 – Recruitment for the period 1 April 2006 to 31 March 2007

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management									
Senior Management	5	0	4	5	3	0	2	3	22
Professionally qualified and experienced specialists and mid-management	141	2	97	88	89	3	97	50	567
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	336	14	105	64	929	42	333	193	2,016
Semi-skilled and discretionary decision making	1,777	19	92	23	4,447	55	196	26	6,635
Unskilled and defined decision making	646	8	40	3	1,408	10	26	4	2,145
Not available	15	0	29	6	7	0	12	4	73
Total	2,920	43	367	189	6,883	110	666	280	11,458
Employees with disabilities	19	1	2	0	17	1	1	1	42

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6.4 – Promotions for the period 1 April 2006 to 31 March 2007

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	0	0	0	0	1
Senior Management	13	2	18	5	4	1	5	9	57
Professionally qualified and experienced specialists and mid-management	282	9	251	131	578	24	315	157	1,747
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	863	49	363	113	5,156	222	1,037	387	8,190
Semi-skilled and discretionary decision making	2,643	64	748	67	7,658	313	688	239	12,420
Unskilled and defined decision making	2,383	20	154	18	3,487	46	112	26	6,246
Not available	2	0	0	0	3	0	0	0	5
Total	6,187	144	1,534	334	16,886	606	2,157	818	28,666
Employees with disabilities	21	4	8	1	11	1	1	4	51

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6.5 – Terminations for the period 1 April 2006 to 31 March 2007

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management									
Senior Management	2	1	9	7	2	0	3	1	25
Professionally qualified and experienced specialists and mid-management	96	6	96	81	72	5	116	70	542
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	339	17	188	59	1,108	57	381	250	2,399
Semi-skilled and discretionary decision making	522	7	113	26	1611	48	110	47	2,484
Unskilled and defined decision making	258	3	20	8	393	8	15	4	709
Not available	7	2	45	10	3	0	22	8	97
Total	1,224	36	471	191	3,189	118	647	380	6,256
Employees with disabilities	4	0	3	2	2	1	2	3	17

6.6 – Disciplinary action for the period 1 April 2006 to 31 March 2007

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Final written warning	0	0	0	0	2	0	0	1	3
No outcome	1	1	0	0	1	0	1	0	4
Suspended without payment	0	0	0	0	1	0	0	1	2
TOTAL	1	1	0	0	4	0	1	2	9

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6.7 – Skills development for the period 1 April 2006 to 31 March 2007

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	195	9	71	26	448	22	50	74	895
Professionals	699	29	156	68	2,694	92	473	188	4,399
Technicians and associate professionals	348	22	151	29	646	19	84	9	1,308
Clerks	920	27	221	26	1621	57	228	67	3,167
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	1205	32	207	89	2,477	62	177	37	4,286
Plant and machine operators and assemblers	226	4	51	2	88	1	13	0	385
Elementary occupations	952	8	65	27	1,502	21	48	13	2,636
Total	4,545	131	922	267	9,476	274	1073	388	17,076
Employees with disabilities	30	0	19	2	16	0	10	1	78



7. Performance rewards

TABLE 7.1 – Performance Rewards by race, gender, and disability, 1 April 2006 to 31 March 2007

	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	0	13,553	0	0	0
Female	1	35,121	0	3	2,500
Asian					
Male	0	3,022	0	0	0
Female	0	4,161	0	0	0
Coloured					
Male	0	294	0	0	0
Female	0	1,029	0	0	0
White					
Male	0	882	0	0	0
Female	0	1,545	0	0	0
Employees with a disability	0	136	0	0	0
Total	1	59,743	0	3	2,500

Note: Granted by prior department, paid after transfer to KwaZulu-Natal: Health.

TABLE 7.2 – Performance Rewards by salary bands for personnel below Senior Management Service, 1 April 2006 to 31 March 2007

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	11,028			
Skilled (Levels 3-5)	0	26,965	0	0	0
Highly skilled production (Levels 6-8)	1	17,544	0	3	3,000
Highly skilled supervision (Levels 9-12)	0	3,878	0	0	0
Other	0	98	0	0	0
Periodical Remuneration	0	1,087	0	0	0
Abnormal Appointment	0	2,787	0	0	0
Total	1	63,387	0	3	3,000

Note: Granted by prior department, paid after transfer to KwaZulu-Natal: Health.

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TABLE 7.3 – Performance Rewards by critical occupations, 1 April 2006 to 31 March 2007

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Medical practitioners	0	2,623	0	0	0
Professional nurse	1	10,406	0	3	3,000
Pharmacists	0	435	0	0	0
Radiography	0	449	0	0	0
Total	1	59,743	0	3	3,000

TABLE 7.4 – Performance related rewards (cash bonus), by salary band: 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	157	0	0	0	0
Band B	0	67	0	0	0	0
Band C	0	4	0	0	0	0
Band D	0	2	0	0	0	0
Total	0	230	0	0	0	0

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8. Foreign workers

The tables below summarise the employment of foreign nationals in the department in terms of salary bands and by major occupation. The tables also summarise changes in the total number of foreign workers in each salary band and by each major occupation.

TABLE 8.1 – Foreign Workers, 1 April 2006 to 31 March 2007, by salary band

Salary Band	1 April 2006		31 March 2007		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1-2)	2	0.5	6	1.4	4	7.4
Skilled (Levels 3-5)	17	4.5	13	3	-4	7.4
Highly skilled production (Levels 6-8)	86	22.8	80	18.5	-6	11.1
Highly skilled supervision (Levels 9-12)	254	67.2	312	72.2	58	107.4
Senior management (Levels 13-16)	14	3.7	17	3.9	3	5.6
Other	3	0.8	0	0	-3	-5.6
Periodical Remuneration	0	0	1	0.2	1	1.9
Abnormal Appointment	2	0.5	3	0.7	1	1.9
Total	378	100	432	100	54	100

TABLE 8.2 – Foreign Worker, 1 April 2006 to 31 March 2007, by major occupation

Major Occupation	1 April 2006		31 March 2007		Change	
	Number	% of total	Number	% of total	Number	% change
Administrative office workers	8	2.1	4	0.9	-4	-7.4
Craft and related trades workers	2	0.5	1	0.2	-1	-1.9
Drivers, operators and ships crew	1	0.3	1	0.2	0	0
Elementary occupations	3	0.8	3	0.7	0	0
Professionals and managers	356	94.2	418	96.8	62	114.8
Social natural technical and medical sciences & support personnel	5	1.3	3	0.7	2	3.7
Technicians and associated professionals	3	0.8	2	0.5	1	-1.9
TOTAL	378	100	432	100	54	100



9. Leave utilisation: 1 January 2006 to 31 December 2006

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave (Table 9.1) and disability leave (Table 9.2). In both cases, the estimated cost of the leave is also provided.

TABLE 9.1 – Sick leave, 1 January 2006 to 31 December 2006

Salary Band	Total days	% days with medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)	Total number of days with medical certification
Lower skilled (Levels 1-2)	34,208	88.5	4,689	15.1	7	5,422	30,258
Skilled (Levels 3-5)	93,896	86	13,780	44.3	7	19,065	80,718
Highly skilled production (Levels 6-8)	74,890	83.2	10,858	34.9	7	28,401	62,323
Highly skilled supervision (Levels 9-12)	97,51.5	74.7	1,724	5.5	6	7,135	7,282
Senior management (Levels 13-16)	310	71	54	0.2	6	561	220
Other	2	0	1	0	2	0	0
Total	213,057.5	84.9	31,106	100	7	60,584	18,0801

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TABLE 9.2 – Disability leave (temporary and permanent), 1 January 2006 to 31 December 2006

Salary Band	Total days taken	% days with medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)	Total number of days with medical certification
Lower skilled (Levels 1-2)	21,752	99.6	951	19	23	3,503	21,658
Skilled (Levels 3-5)	48,386	99.5	2,214	44.3	22	10,390	48,167
Highly skilled production (Levels 6-8)	37,179	99.5	1,711	34.3	22	14,303	37,009
Highly skilled supervision (Levels 9-12)	2,199	99.4	113	2.3	19	1,610	2,185
Senior management (Levels 13-16)	67	100	4	0.1	17	125	67
Total	109,583	99.5	4,993	100	22	29,931	109,086

Table 9.3 summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

TABLE 9.3 – Annual Leave, 1 January 2006 to 31 December 2006

Salary Bands	Total days taken	Average days per employee	Number of Employees who took leave
Lower skilled (Levels 1-2)	166,387.4	21	7,903
Skilled (Levels 3-5)	438,410.19	23	19,373
Highly skilled production (Levels 6-8)	404,956.27	26	15,791
Highly skilled supervision (Levels 9-12)	65,785.52	19	3,451
Senior management (Levels 13-16)	3,604.48	19	188
Other	57	14	4
Total	1079200.86	23	46710

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TABLE 9.4 – Capped leave, 1 January 2006 to 31 December 2006

Salary Bands	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2006	Number of Employees who took Capped leave	Total number of capped leave days available at 31 December 2006	Number of Employees as at 31 December 2006
Lower skilled (Levels 1-2)	3,304	5	53	601	346,441	6,567
Skilled (Levels 3-5)	5,362	6	111	911	443,665	8,505
Highly skilled production (Levels 6-8)	8,150	7	128	1,175	771,324	10,685
Highly skilled supervision (Levels 9-12)	890	9	119	103	125,865	1,630
Senior management (Levels 13-16)	78	6	74	14	11,212	152
Other	4	4	5	1	5	1
Total	17,788	6	62	2,805	169,8512	27,540

TABLE 9.5 – Leave payouts for the period 1 April 2006 to 31 March 2007

The following table summarises payments made to employees as a result of leave that was not taken.

REASON	Total Amount (R'000)	Number of Employees	Average payment per employee
Leave payout for 2006/07 due to non-utilisation of leave for the previous cycle	363	106	3,425
Capped leave payouts on termination of service for 2006/07	8,951	2,348	3,812
Current leave payout on termination of service for 2006/07	2,725	742	3,673
Total	12,039	3,196	3,767



10. HIV and AIDS & health promotion programmes

TABLE 10.1 – Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Medical Officers	Protocols in place highlighting risk-reducing procedures.
Nurses	Training and raised awareness regarding protocols and procedures.
General Assistants	Universal precautions to be provided and used.
Housekeeping personnel	Proper disposals of sharps, contaminated instruments, all body and post mortem specimens.
Laundry personnel	Provision of safety equipment i.e. gloves goggles etc.
Grounds personnel	Post-exposure prophylaxis to be made available for those incidents that nonetheless do occur.
Laboratory personnel	
EMRS personnel	

TABLE 10.2 – 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.		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.		HIV/AIDS EAP Occupational Health
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	Yes.		Available at Head Office and Institutional Level.
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.	

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Question	Yes	No	Details, if yes
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	Yes.		The status of prospective employees is not requested at any stage of the recruitment process.
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.		HIV results are confidential. Employees have access to VCT. PEP is available for occupational exposure.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	Yes.		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.		

11. Labour relations

The following collective agreements were entered into with trade unions within the department.

TABLE 11.1 – Collective agreements, 1 April 2006 to 31 March 2007 If there were no agreements, then use the following table

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

The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

TABLE 11.2 – Misconduct and disciplinary hearings finalised, 1 April 2006 to 31 March 2007

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	04	1.9
Verbal warning	07	3.3
Written warning	29	13.8
Final written warning	34	16.2
Suspended without pay	39	18.6
Demotion	03	1.4
Dismissal	53	25.2
Not guilty	29	13.8
Case withdrawn	12	5.7
Total	210	100%

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TABLE 11.3 – Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	% of total
Abuse of state property	07	3.3
Absenteeism	49	23.3
Endangering lives of others	02	1
Theft	44	21
Intimidation	12	5.7
Assault	15	7.1
Under the influence of alcohol	15	7.1
Murder	10	4.8
Improper and unbecoming behaviour	02	1
Negligence	05	2.4
Damage to government vehicle	11	5.2
Fraud	16	7.6
Sexual harassment	09	4.3
Insubordination	13	6.2
Total	210	100%

TABLE 11.4 – Grievances lodged for the period 1 April 2006 to 31 March 2007

	Number	% of Total
Number of grievances resolved	92	65.2
Number of grievances not resolved	49	34.8
Total number of grievances lodged	141	100%

TABLE 11.5 – Disputes lodged with Councils for the period 1 April 2006 to 31 March 2007

	Number	% of Total
Number of disputes upheld	10	12
Number of disputes dismissed	32	39
Total number of disputes lodged	83	

TABLE 11.6 – Strike actions for the period 1 April 2006 to 31 March 2007

Total number of person working days lost	84, 588
Total cost (R'000) of working days lost	R12,565,837.08
Amount (R'000) recovered as a result of no work no pay	R8,635,108.00

TABLE 11.7 – Precautionary suspensions for the period 1 April 2006 to 31 March 2007

Number of people suspended	17
Number of people whose suspension exceeded 30 days	03
Average number of days suspended of those exceeding 30 days	82
Cost (R'000) of suspensions (Ave cost of days lost)	R181,638.98



12. Skills development

Table 12.1 – Training needs identified 1 April 2006 to 31 March 2007

Occupational Categories	Gender	Number of employees as at 1 April 2006	Training needs identified: start of reporting period			
			Learner ships	Skills Programmes & other short courses	Other Forms of training	Total
Legislators, senior officials and managers	Female	654	0	1,422	0	1,422
	Male	480	0	850	0	850
Professionals	Female	1595	0	2,746	0	2,746
	Male	962	0	1,200	0	1,200
Technicians and associate professionals	Female	6704	129	4,690	0	4,819
	Male	2525	10	3,750	0	3,760
Clerks	Female	2123	0	2,330	0	2,330
	Male	1377	0	1,952	0	1,952
Service and sales workers	Female	786	0	1,129	0	1,129
	Male	860	0	331	0	331
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	329	0	727	5	732
	Male	824	0	226	3	229
Plant and machine operators and assemblers	Female	2018	0	89	115	204
	Male	766	0	281	53	334
Elementary occupations	Female	2313	0	1,453	368	1,821
	Male	1055	0	1,231	252	1,483
Sub Total	Female	16522	129	14,586	488	15,203
	Male	8849	10	9,821	308	10,139
Total:		25371	139	24.407	796	25.342

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Table 12.2 – Training provided 1 April 2006 to 31 March 2007

Occupational Categories	Gender	Number of employees as at 1 April 2006	Training provided within the reporting period			
			Learner ships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	598	0	55	0	55
	Male	303	0	22	0	22
Professionals	Female	3,447	0	95	0	95
	Male	952	0	76	0	76
Technicians and associate professionals	Female	758	129	24	1	154
	Male	550	10	15	0	25
Clerks	Female	1,973	0	44	0	44
	Male	1,194	0	46	0	46
Service and sales workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	2,753	0	85	5	90
	Male	1,533	0	37	3	40
Plant and machine operators and assemblers	Female	102	0	11	4	15
	Male	283	0	17	2	19
Elementary occupations	Female	1,584	0	35	212	247
	Male	1,052	0	30	25	55
Sub Total	Female	11,215	129	349	222	700
	Male	5,867	10	243	30	283
Total		17,082	139	592	252	983

13. Injury on duty

TABLE 13.1 – Injury on duty, 1 April 2006 to 31 March 2007

Nature of injury on duty	Number	% of total
Required basic medical attention only	810	90
Temporary Total Disablement	68	7.55
Permanent Disablement	1	0.12
Fatal	21	2.33
Total	900	100



14. Utilisation of consultants

Table 14.1 – Report on consultant appointments using appropriated funds

Project Title	Name of consultants	Total number of consultants that worked on the project	Contract value in Rand
Appointment of consultant to technically evaluate the security bids	Marisk Management Services cc	1	R 87 000.00
Procurement of an asset management specialist	Roshan Morar & Associates	1	R 1 001 451.22
Use of facilitators for the strategic planning workshop	Mvula & Associates & Dr Pinel Mavangere	2	R 119 472.00
Appointment of consultants to assist with the technical evaluation of catering bids for all institutions	Gasa & Associates New Dawn Business Interlink	2	483 734.48
Appointment of an audit firm to address the findings and recommendations of the 2006/06 Auditor General	Roshan Morar & Associates	1	1 954 000.00
Updating of the integrated Health Planning Framework Tool		2	194 200.00
Development of Job Descriptions for Head Office		3	179 000.00
Development of Job Descriptions for Districts		2	220 000.00
Selection and Interview Panel		1	27 000.00
	Total number of projects	Total individual consultants	Total contract value in Rand
	9	15	4 265 857.70

**Annual Report 2006/07
Part C**



Table 14.2 – Report on consultant appointments using Donor funds

Project Title	Total Number of consultants that worked on the project	Duration: Work days	Donor and Contract value in Rand
KZN TB Social Mobilisation Manager (August 2006 – July 2007)	1	220	DFID – R 266,200
TB Training in 4 Priority Districts (November 2006 – October 2007)	20	220	DFID – R 3,475,175
Management of TB Crisis Plan (October 2006 – July 2008)	6	524	DFID – R 6,545,880
Policy Development and Implementation (March 2006 – September 2007)	6	515	DFID – R 2,583,240
Monitoring and Evaluation (January 2006 – November 2006)	7	223	DFID – R 863,400
TB KAP Survey (November 2006 – May 2007)	9	192	DFID – R 1,643,139
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
6	49	1894	R 15,377,034

**Annual Report 2006/07
Part C**



Table 14.3 – 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
KZN TB Social Mobilisation Manager (August 2006 – July 2007)	100%	100%	1
TB Training in 4 Priority Districts (November 2006 – October 2007) NU Health (Pty) Ltd	100%	50%	15
Management of TB Crisis Plan (October 2006 – July 2008) MRC			
Policy Development and Implementation (March 2006 – September 2007) LMD Africa	82%	82%	4
Monitoring and Evaluation (January 2006 – November 2006) Health Systems Trust	NGO – No ownership	88%	2
TB KAP Survey (November 2006 – May 2007) DeNovo Consulting	100%	100%	9
Development of Job Descriptions for Head Office	100%	50%	0
Development of Job Descriptions for Districts	100%	50%	0
Selection and Interview Panel	100%	50%	1

Part D

Report of the Audit Committee & Annual Financial Statements for the Department of Health



Report of the Audit Committee on Vote 7 - Health

REPORT OF THE AUDIT COMMITTEE ON VOTE 7 - HEALTH

We are pleased to present our report for the financial year ended 31 March 2007.

Audit Committee Members and Attendance:

The Audit Committee consists of the members listed hereunder and met 6 times during the year. Chairman Mr R Morar resigned from the committee during the year and Adv. B.S. Khuzwayo was then appointed as chairman.

Name of Member	Number of Meetings Attended
BS Khuzwayo (Adv)	6
R Morar	4
BP Campbell	6
ADK Leisegang	6
DSD Shabalala	1
Auditor – General	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 that we have not reviewed changes in accounting policies and practices.

The Effectiveness of Internal Control

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the Department revealed certain weaknesses, which were then raised with

the Department. The following were areas of concern:

- Human Resource Management
- Fleet Management Process.
- Financial Management (Budgeting and monitoring)
- Pharmaceutical Services and Patient Administration
- Stores, Procurement and Inventory Management

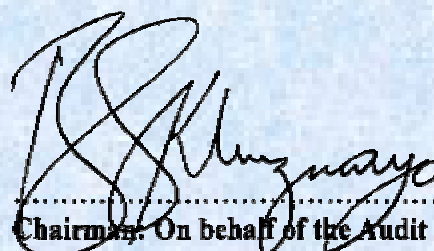
The quality of in year management and monthly / quarterly reports submitted in terms of the Treasury Regulations and the Division of Revenue Act

We did not review and therefore 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.

Evaluation of Financial Statements

We have reviewed the annual financial statements prepared by the department.

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


Chairman: On behalf of the Audit Committee

Date: 13 September 2007

Annual Financial Statements for the KwaZulu-Natal Department of Health

**KWA-ZULU NATAL – DEPARTMENT OF HEALTH
VOTE 7**

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**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2007**

Report by the Accounting Officer to the Executive Authority and the Provincial Legislature of the Province of KwaZulu-Natal.

1. GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS

During the financial year under review the Department was responsible for stewardship over some R11.819 billion of public funds. The Department developed comprehensive plans, as part of the Annual Performance Plan, which provided a framework to ensure the best use of these funds to achieve its service delivery objectives. It's staff was responsible for leading and driving forward changes in health service delivery, as well as improving standards in public health based especially on government priorities and objectives.

Among other things, the Department focused on the expansion of existing programmes and capacity building initiatives aimed at improving service delivery and improving the maintenance of hospitals. Enhancing access to health care is

SPENDING PER PROGRAMME:

critical in improving health outcomes. In an effort to give meaning to our mission of “developing a sustainable, coordinated, integrated and comprehensive health system at all levels of care based on the Primary Health Care Approach through the District Health System” we continued to focus on enhancing access by building new clinics and new Community Health Centres this financial year. Community Care Givers were provided with new skills and their pool expanded to respond to the burden of disease. Management structures at Primary Health Care level were also reviewed and strengthened.

In delivering its services the Department also focussed on contributing towards government's objectives of narrowing the gap between the first and second economies through targeted procurement, job creation initiatives linked to the Expanded Public Works Programme and through capacity building initiatives.

PROGRAMME	FINAL ALLOCATION R'000	ACTUAL EXPENDITURE R'000	UNDER/(OVER) EXPENDITURE R'000
1. Administration	219,856	224,900	(5,044)
2. District Health Services	5,422,598	5,370,301	52,297
3. Emergency Medical Services	472,380	474,023	(1,643)
4. Provincial Hospital Services	3,143,329	3,138,945	4,384
5. Central Health Services	1,168,164	1,191,810	(23,646)
6. Health Sciences and Training	423,219	421,069	2,150
7. Health Care Support Services	29,560	29,560	-
8. Health Facilities Management	940,145	813,208	126,937
9. Thefts and losses	-	135	(135)
TOTAL	11,819,251	11,663,951	155,300

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2007**

Explanation of material variances from amounts voted (after considering virements of funds)

PROGRAMME 1: ADMINISTRATION

During the year under review the Department focussed on strengthening the centre by embarking on a drive to develop capacity at Head Office. The Department also rolled out training for the Employee Performance Management and Development System, and Supply Chain Management.

This resulted in a slight overspending of R5,044,000 under the programme after taking into account an amount of R10,000,000 vired to the programme.

PROGRAMME 2: DISTRICT HEALTH SERVICES

After taking into account expenditure within the Coroner Services Conditional Grant, the programme reflected an under-expenditure of about R52,297,000. This is mainly attributable to the under-spending in the Forensic Pathology Services Grant as a result of delays in the transfer of Forensic Mortuaries to 1 September 2006, delays in submission of claims by SAPS for the five months to 31 August 2006 and the scarcity of health professionals to fill vacancies created as part of the development of the service. An application has been made for the unspent Forensic Pathology Services Grant amount to be rolled over to the 2007/08 financial year to fund commitments emanating from the 2006/07 financial year.

The under-spending reflecting above includes an amount of R32,504,000 vired to the programme to offset the impact of overspending in Community Health Clinics and Community Health Centres as a result of increased demand for services at that level of Primary Healthcare Forensic Pathology Services Grant amount to be rolled over to the 2007/08 financial year to fund commitments emanating from the 2006/07 financial year.

PROGRAMME 3: EMERGENCY MEDICAL SERVICES

During the year under review the Department continued with the expansion of Emergency

Medical Services throughout the province aimed at addressing inequities, improving response times and enhancing Disaster Management Services. The process included the acquisition of new ambulances and the employment of an additional 600 ECP personnel. Emergency Medical Services over-spent by R1,643,000 after taking into account a virement into the programme of R13,000,000.

PROGRAMME 4: PROVINCIAL HOSPITAL SERVICES

The under expenditure within this programme of R4,384,000 relates mainly to the misallocation of expenditure between various levels of hospital services. An amount of R20,504,000 has been vired from the Programme, with a substantial portion thereof being allocated to Programme 2: District Health Services.

PROGRAMME 5: CENTRAL HOSPITAL SERVICES

The Department has embarked on a process of developing Tertiary Services in uThungulu and uMgungundlovu with a view to ensure equitable provision of Healthcare Services throughout the province. This process has resulted in an overspending of R23,646,000 during the year under review, with the majority of funding going towards funding of the posts of health professionals and the purchase of medical equipment.

No virements were made into the programme.

PROGRAMME 6: HEALTH SCIENCES AND TRAINING

The programme was under-spent by R2,150,000 after taking into account an amount of R22,000,000 vired from it. The under-spending was mainly as a result of accounts from universities and technikons not being submitted to the Department in time for payment to be effected before 31 March 2007. The amounts under-spent have been utilised towards offsetting overspending in Programme 1: Administration and Programme 2: District Health Services.

PROGRAMME 7: HEALTHCARE SUPPORT SERVICES

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2007**

Expenditure on this programme is as approved for this main division and there has been no need for the virement of funds to or from the programme.

**PROGRAMME 8: HEALTH FACILITIES
MANAGEMENT**

The programme was under-spent by R126,937,000 after taking into account an amount of R13, 000,000 vired to Programme 3: Emergency Medical Services.

The variance in this programme is mainly as a result of under-spending in the Forensic Pathology Services Grant and the Revitalization grant emanating from appeals that have delayed the acquisition on medical equipment and the commencement of the King George V Hospital construction. The Construction took place at the beginning of the 2006/07 financial year after 18 months of delays due to appeals and this impacted on the utilization of funds rolled over from prior year. The necessary capacity has now been put in place and spending on the project is showing signs of improvement.

**2. SERVICES RENDERED BY THE
DEPARTMENT**

The main purpose for the existence of the Department of Health is to develop and implement a sustainable, coordinated, integrated and comprehensive health system through the primary health care approach which is based on accessibility, equity, community participation, use of appropriate technology and inter-sectoral collaboration.

The organisational configuration of the Department forms an important basis for effective and efficient health service delivery in pursuance of the objectives set in the Strategic Plan, the Service Transformation Plan and the Annual Performance Plan of the Department.

Restructuring will continue with the aim of providing a blue print for successful decentralisation of services to ensure effective service delivery and to strengthen the management of health services, especially at the primary healthy care level. The role of Head Office should be policy making, planning, systems development, procedural design, setting of norms and standards, as well as monitoring and evaluation. The District Offices will be responsible for developing, coordinating and facilitating the implementation of an effective, efficient, sustainable and integrated health system. Part of

the strategy is to ensure that there is sufficient capacity and readiness in Districts to assume responsibility and accountability for decentralised functions and delegations.

Four main categories of services are provided by the Department, namely:

Primary Health Care Services

This category focuses on the prevention of illness and the provision of basic curative health services. These services include immunisation, health promotion, HIV and AIDS awareness, nutrition services, mother and child health services, communicable disease control, environmental health, oral and dental health, rehabilitation support, occupational health and chronic disease support.

Hospital Services

District hospitals cater for those patients who require admission to hospital for treatment at general practitioner level, while provincial hospitals cater for patients requiring admission to hospital for treatment at specialist level.

Tuberculosis hospitals, psychiatric hospitals and chronic medical hospitals (long-term) provide hospitalisation for patients suffering from tuberculosis, mental illnesses and those patients requiring long-term nursing care. Central and tertiary hospitals provide facilities and expertise needed for sophisticated medical procedures.

Forensic Pathology Services

These services are directed at ensuring integrity of forensic evidence and providing Inspector of Anatomy Services.

Emergency Medical Services

The aim of this category is to provide emergency care and transport for victims of trauma, road traffic accidents, emergency medical and obstetric conditions. Planned patient transport is provided for inter-hospital transfer whilst indigent patients are transported between clinics and hospitals.

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

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2007**

and Provincial Departments of Health complete these adjustments.

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.

Inventories

The total inventory on hand as at 31 March 2007 is R1.564 billion. This amount consists of consumables of R227 million, pharmaceuticals of R204 million and equipment of R1.133 billion.

Capacity constraints

The delivery of health services is dependent on the availability of all the necessary resources at the right quantity and the right mix to maximise the service delivery impact. The Department continues to strive to ensure that all the necessary resources are in place to enhance service delivery. However, the Department continues to face challenges due to shortage of skilled professional staff, inadequate health information systems, backlog in fixed infrastructure, inadequate machinery and equipment, increasing burden of disease and co-morbidities, together with the gap in funding of healthcare needs in the province. As a response to these challenges, the Department has embarked on the following initiatives, which see capacity for service delivery being strengthened:

- Maintaining in place service delivery agreements with the Department of Public Works, Ithala Bank and Independent Development Trust with a view to enhancing the capacity for infrastructure roll out;
- Expansion of Emergency Medical Services through increases in the vehicle fleet and personnel;
- Development of the Human Resource Plan to focus effort on developing and recruiting staff to meet the service delivery needs of the Department;
- Offering bursaries for study in various healthcare disciplines;
- Integration of closely related programmes through capacity building programmes where staff is trained in the relevant areas and by

creation of multi-purpose staff posts (e.g. HIV and AIDS, STIs and TB, or PMTCT and Maternal, Child and Women's Health);

- Conclusion of contracts with NGOs to supplement capacity for the delivery of healthcare services throughout the province;
- Strengthening of inter-sectoral collaboration to ensure that optimal service delivery is achieved through the pooling of resources; and
- Enhancement of Primary Healthcare services, especially at Community Health Clinics and Community Health Centres to avoid overcrowding at Hospitals and improve access to services.

4. UTILISATION OF DONOR FUNDS

During the financial year under review an amount of R15.334 million in respect of local and foreign donor funds was received by the Department. In addition, an amount of R3, 187 million was brought forward from the previous financial year, giving a total of R18, 521 million. Of this R16, 817 million was spent leaving a balance of R1.704 million, which will be carried forward into the 2007/08 financial year.

A number of small donations were received during the financial year, as well as two donations in excess of R1million each. In addition, Bristol Myers Squibb, provided and the Department spent in excess of R725, 000 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 R16.316 million this financial year, providing total funding of R21.694 million for 2006/07, of which R27.368 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.

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2007**

5. TRADING ENTITIES AND PUBLIC 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 R5.542 million will be surrendered to Treasury in the 2006/07 financial year.

6. ORGANISATIONS TO WHOM TRANSFER PAYMENTS HAVE BEEN MADE

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

- Subsidised Hospitals providing hospital care
- 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. Where applicable, service level and other types of agreements have been put in place to enhance accountability.

7. PUBLIC PRIVATE PARTNERSHIPS (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. Details of the PPP and the transactions relating thereto are disclosed under note 26 of the financial statements.

8. CORPORATE GOVERNANCE ARRANGEMENTS

8.1 Risk Management

Situational analysis of Audit and Risk Management for the 2006-2007 financial year

The Audit and Risk Management component has performed a transversal function across the Department in that, it dealt with audit matters affecting all health institutions and ensured that risks were identified and mitigated through the implementation and enhancement of internal controls. The component has worked closely with the Auditor-General and the Internal Audit Unit of the Provincial Treasury in the execution of its duties.

During the 2006-2007 reporting period, the Department was subjected to a multitude of audits by the Auditor-General as well as by the Internal Audit Unit. These audits included audits of the financial statements of both the Department as well as that of the Provincial Medical Supply Centre, a trading entity in the Department as well as regularity audits at five (5) institutions, review audits of the general computer controls of the Meditech System at Addington Hospital and the information system (SAP) at the Inkosi Albert Luthuli Central Hospital as well as a performance audit on the management of Medical Waste.

The component had also embarked and finalised various risk management initiatives as part of its strategy to combat fraud and corruption. In this regard numerous workshops were conducted in 2006 with the target audience being all officials falling within the management cadre/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 as part of the Departments Strategy in reducing the incidents 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 to this the component in partnership with the Internal Audit Unit of the Provincial Treasury, 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

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2007**

controls that would need to be designed to manage these risks.

8.2 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.

8.3 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.

The Internal Audit unit completed a risk assessment of the Department and developed a risk profile during the year under review.

8.4 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. DISCONTINUED ACTIVITIES

The Department ceased to directly provide Laboratory Services from 1 October. These were transferred to the National Health Laboratory Services with effect from that date. The Department will in future make payments to the NHLS for services rendered. Furthermore, the provision of healthcare services to the Matatiele Municipal area will be transferred to the Eastern Cape Department of Health with effect from 1 April 2007.

10. NEW ACTIVITIES

The Department took over Medico-Legal Mortuaries from the SAPS with effect from 1 October 2006. Funding for the services rendered have been provided for through the Forensic Pathology Services Grant from the National Department of Health. The details of the funding are reflected under annexure 1A of the financial statements.

11. ASSET MANAGEMENT

The Department has asset registers in place. The Department has established asset management units at head Office, District Offices and at Health Institution. During the 2006/07 financial year, capacity for Asset Management was enhanced through the filling of vacant Asset Management posts.

The Department has put in place systems, policies and procedures in place to ensure compliance with the Asset Management policy framework. Furthermore, the department is in the process of awarding a bid for the roll out of an electronic asset register.

12. IMMOVABLE ASSETS

The Provincial Treasury has issued an interim measure to deal with the transfer of immovable assets from the Department to that of the Department of Works. However it is important to raise an issue that my Department has full use of these assets.

The custodianship of these assets has been invested in the Department of Works. During the 2006/ 2007 the Department has transferred R1,200,014,000 to the Department of Works.

13. EVENTS AFTER THE REPORTING DATE

A request for rollover of unspent funds was submitted to the Provincial Treasury to secure funding for commitments incurred during the 2006/07 financial year. The measure will assist in

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2007**

avoiding the impact of such expenditure on the 2007/08 budget.

14. PERFORMANCE INFORMATION

During the 2006/07 financial year a process was undertaken by the national Department of health and the National Treasury, which resulted in the development of standardised performance targets. The Department was required to utilise these targets for quarterly and annual reporting of performance reports to Treasury based on the agreed upon targets.

The information included in the reports is collected mainly from District and institutions through a mix of electronic and manual systems. The Department has in place components at the different levels who are responsible for collecting information and for quality control. The Department is considering the implementation of Integrated Information Systems to further enhance the quality of data collected. Detailed performance information is contained in the performance report.

15. SCOPA RESOLUTIONS

On 22 November 2006 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 2005/06 financial years. In this regard, all matters raised in terms of the report were responded to by the Department

Approval

The annual financial statements set out on pages 165 to 259 are hereby approved by the Chief Financial Officer: Department of Health: KwaZulu-Natal.



Mr. A.S.S Buthelezi
Chief Financial Officer
31 August 2007

The annual financial statements set out on pages 165 to 259 are hereby approved by the Accounting Officer of the Department of Health: KwaZulu-Natal.



Dr. B.M Nyembezi
Accounting Officer
31 August 2007

Report of the Audit Committee and Annual Financial Statements for the Department of Health

**Report of the Auditor General
For the year ended 31 March 2007**

**REPORT ON THE FINANCIAL
STATEMENTS**

Introduction

1. I have audited the accompanying financial statements of the KwaZulu-Natal Department of Health which comprise the statement of financial position as at 31 March 2007, appropriation statement, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 178 to 233.

Responsibility of the accounting officer for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy 1.1 to the financial statements and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA). This responsibility includes:

- designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004), my responsibility is to express an opinion on these financial statements based on my audit.

4. I conducted my audit in accordance with the International Standards on Auditing and General Notices 645 and 647 of 2007, issued in Government Gazette No. 29919 of 25 May 2007. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
6. An audit also includes evaluating the:
 - appropriateness of accounting policies used
 - reasonableness of accounting estimates made by management
 - overall presentation of the financial statements.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis of accounting

8. The 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 set out in accounting policy 1.1 to the financial statements.

**Report of the Auditor General
For the year ended 31 March 2007**

Opinion

9. In my opinion, the financial statements present fairly, in all material respects, the financial position of the KwaZulu-Natal Department of Health as at 31 March 2007 and its financial performance and cash flows for the year then ended, in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy 1.1 to the financial statements.

Emphasis of matter

Without qualifying my audit opinion, I draw attention to the following matter:

10. Tangible capital assets

In terms of Provincial Treasury Circular No. 1, dated 29 August 2007, an interim measure has been issued, which determined that the custodianship of immovable assets have been vested with the KwaZulu-Natal Department of Works. In compliance therewith, immovable assets totalling R1,2 billion have been transferred to the KwaZulu-Natal Department of Works during the 2006-2007 financial year, as disclosed in note 28 to the financial statements.

OTHER MATTERS

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

11. Material non-compliance with applicable legislation

11.1 Environmental

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. 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.

The department does not have an Environmental Management Plan in place.

11.2 Supply chain management

I was unable to assess whether legislative procedures embodied in section 16A6 (Supply Chain Management) of the Treasury Regulations had been adhered to in respect of payments made to service providers, due to adequate records for tender processes not being furnished. Moreover, inspections performed revealed various instances whereby routine controls were not functioning optimally, in that, specific procedures were not implemented to ensure that contract files were adequately maintained and promptly available for audit.

11.3 Property, plant and equipment

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 2006-07 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:

- The Department was unable to furnish a consolidated detailed asset register incorporating the required details of the assets of its institutions which should

**Report of the Auditor General
For the year ended 31 March 2007**

agree to the financial statement figure. The department produced a spreadsheet detailing only the balances of each institutions fixed asset register.

- Asset disposals were not correctly treated in the asset register.
- The asset registers furnished for the Department as well as each of the institutions visited did not conform to the required guideline.

12. Material corrections made to the financial statements submitted for audit

The financial statements, approved by the accounting officer, as submitted for audit on 31 May 2007, have been significantly revised in respect of the following material misstatements identified during the audit:

- 12.1** Property, plant and equipment as initially disclosed in note 28 to the financial statements was previously understated by R587 million due to prior year additions not being capitalised.
- 12.2** Contingent liabilities originally disclosed in disclosure note 19 to the financial statements were understated and subsequently adjusted by R274 million.

13. Value for Money

13.1 Human Resource Management

The department has a vacancy rate of 34% (2005/06: 32.9%), which is greater than the norm of 5%. The average duration for filling of vacancies was above the norm of five months.

13.2 HIV/AIDS

The following unsatisfactory matters were noted during the audit of the HIV/AIDS grant:

- Expired drugs were not disposed off, and still kept in stock.

- Lack of controls over the storage, receipt and issuing of inventory.
- Certain NGO's were not given home based care kits by clinics.
- Visits made by NGO's to home based care could not be verified due to the lack of adequate supporting documentation.

14. Information Systems Audit matters:

14.1 Addington hospital

A follow-up information systems audit of the general controls surrounding the information technology (IT) environment was completed in March 2007.

Little progress had been made in addressing the previously reported weaknesses. The following were therefore still the most significant control weaknesses:

- The logical security settings were inadequate. For example, the password age of some user accounts exceeded 180 days; password complexity was not enforced as a result of which easy-to-guess passwords were allowed; user IDs could be shared and users were not locked out after a number of invalid logon attempts.
- Change control policy and procedures were still lacking.
- Change control was ineffective due to programmers having access to the production environment.
- The administration and management of user accounts were hampered by weaknesses such as the lack of periodical reviews of users' access to the system.
- Various weaknesses regarding physical and environmental controls were detected. Among others, the door to the computer area was not locked; halon gas was used for fire protection and no oxygen masks were available; the ceiling

**Report of the Auditor General
For the year ended 31 March 2007**

of the training room was partly cracked, which allowed rainwater through.

14.2 Inkosi Albert Luthuli Central Hospital

A follow-up information systems audit of the general controls surrounding the information technology (IT) environment was completed in June 2007.

- Little progress had been made in addressing the previously reported weaknesses. The following were therefore still the most significant control weaknesses:
- The logical security settings were inadequate. For example, passwords were allowed to be transferred across the network in clear text and passwords were set never to expire.
- Too many users had been assigned superuser access to both the SAP and MEDICOM application systems.

15. Delay in finalisation of the audit

Due to the national public sector strike action during June 2007, the finalisation of the audit for 2006/07 financial year was delayed until 31 August 2007.

OTHER REPORTING RESPONSIBILITIES

Reporting on performance information

16. I have audited the performance information as set out in the annual report.

Responsibilities of the accounting officer

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

Responsibility of the Auditor-General

18. I conducted my engagement in accordance with section 13 of the Public

Audit Act, 2004 (Act No. 25 of 2004) read with General Notice 646 of 2007, issued in Government Gazette No. 29919 of 25 May 2007.

19. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate audit evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.
20. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings reported below.

Audit findings

21. Measurable objectives not consistent

I draw attention to the fact that some of the measurable objectives reported in the annual report are materially inconsistent when compared with the predetermined objectives as per the strategic plan and budget.

APPRECIATION

22. The assistance rendered by the staff of the KwaZulu-Natal Department of Health during the audit is sincerely appreciated


H van Zyl for Auditor-General

Pietermaritzburg

31 August 2007



**ACCOUNTING POLICIES
For the year ended 31 March 2007**

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.

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.

1.5 Comparative figures - Appropriation Statement

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

2. REVENUE

2.1 Appropriated funds

Appropriated funds and adjusted 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. Amounts receivable at the reporting date are disclosed in the disclosure notes to the annual financial statements.

**ACCOUNTING POLICIES
For the year ended 31 March 2007**

2.2.1 Sales of goods and services other than capital assets

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

2.2.2 Fines, penalties & forfeits

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

2.2.3 Interest, dividends and rent on land

Interest, dividends and rent on land is recognised in the statement of financial performance when the cash is received. 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 is 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 expended 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

**ACCOUNTING POLICIES
For the year ended 31 March 2007**

year). Capitalised compensation forms part of the expenditure for capital assets in the statement of financial performance.

All other payments are classified as current expenses.

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 of 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 authorization 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.

**ACCOUNTING POLICIES
For the year ended 31 March 2007**

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 or not in accordance with a requirement of any applicable legislation, including

- The Public Finance Management Act
- The State Tender Board Act, or any regulations 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).

ACCOUNTING POLICIES
For the year ended 31 March 2007

4. ASSETS

4.1 Cash and cash equivalents

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

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

4.2 Prepayments and advances

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

4.3 Receivables

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.

4.4 Inventory

Inventories purchased during the financial year are disclosed at cost in the notes.

4.5 Capital assets

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition.

The total movement in the asset register for the current financial year is included in the disclosure notes.

5. LIABILITIES

5.1 Payables

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

5.2 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.

**ACCOUNTING POLICIES
For the year ended 31 March 2007**

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 of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are transferred to the 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 in the current financial year.

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 is included in the disclosure notes.

**KWAZULU-NATAL: DEPARTMENT OF HEALTH
VOTE 7**

**APPROPRIATION STATEMENT
For the year ended 31 March 2007**

Appropriation per programme

	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration									
Current payment	205,687	(2,355)	10,000	213,332	216,925	(3,593)	101.7%	181,806	181,622
Transfers and subsidies	1,397	2,355	-	3,752	3,756	(4)	100.1%	830	1,014
Payment for capital assets	2,772	-	-	2,772	4,219	(1,447)	152.2%	10,281	10,281
2. District Health Services									
Current payment	5,058,912	15,000	29,504	5,103,416	5,085,383	18,033	99.6%	4,444,208	4,635,266
Transfers and subsidies	247,376	(15,000)	3,000	235,376	220,514	14,862	93.7%	213,797	202,490
Payment for capital assets	83,806	-	-	83,806	64,404	19,402	76.8%	78,752	87,191
3. Emergency Medical Services									
Current payment	384,414	-	13,000	397,414	415,873	(18,459)	104.6%	336,479	336,325
Transfers and subsidies	520	-	-	520	744	(224)	143.1%	1,063	1,188
Payment for capital assets	74,446	-	-	74,446	57,406	17,040	77.1%	83,062	83,091
4. Provincial Hospital Services									
Current payment	3,061,146	-	(28,514)	3,032,632	3,028,995	3,637	99.9%	2,633,305	2,620,872
Transfers and subsidies	81,332	-	(3,000)	78,332	76,308	2,024	97.4%	130,954	131,050
Payment for capital assets	21,355	-	11,010	32,365	33,642	(1,277)	103.9%	44,108	44,159
Central Hospital Services									
Current payment	960,699	-	11,010	971,709	1,013,067	(41,358)	104.3%	837,104	896,958
Transfers and subsidies	3,397	-	-	3,397	1,910	1,487	56.2%	2,258	1,579
Payment for capital assets	204,068	-	(11,010)	193,058	176,833	16,225	91.6%	185,373	170,069

**KWAZULU-NATAL: DEPARTMENT OF HEALTH
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**APPROPRIATION STATEMENT
For the year ended 31 March 2007**

Appropriation per programme

	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
6. Health Sciences and Training									
Current payment	384,838	-	-	384,838	384,470	368	99.9%	360,852	361,160
Transfers and subsidies	55,641	-	(22,000)	33,641	33,450	191	99.4%	43,237	39,647
Payment for capital assets	4,740	-	-	4,740	3,149	1,591	66.4%	7,500	7,420
7. Health Care Support Services									
Transfers and subsidies	29,560	-	-	29,560	29,560	-	100.0%	7,600	7,600
8. Health Facilities Management									
Current payment	234,772	(6,142)	(13,000)	215,630	214,653	977	99.5%	196,608	195,848
Payment for capital assets	718,373	6,142	-	724,515	598,555	125,960	82.6%	625,339	540,922
9. Special Functions									
Current payment	-	-	-	-	135	(135)	0.0%	-	-
TOTAL	11,819,251	-	-	11,819,251	11,663,951	155,300	98.7%	10,424,516	10,555,752
Reconciliation with Statement of Financial Performance									
Add: Departmental receipts				121,289				137,689	
Local and foreign aid assistance				15,334				13,577	
Actual amounts per Statement of Financial Performance (Total Revenue)				11,955,874				10,575,782	
Add: Local and foreign aid assistance					16,817				21,262
Actual amounts per Statement of Financial Performance Expenditure (Total Expenditure)					11,680,768				10,577,014

Fighting Poverty, Fighting Disease, Giving Hope

**KWAZULU-NATAL: DEPARTMENT OF HEALTH
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**APPROPRIATION STATEMENT
For the year ended 31 March 2007**

Appropriation per economic classification

	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	6,723,759	(63,003)	-	6,660,756	6,628,829	31,927	99.5%	5,866,998	5,866,764
Goods and services	3,566,709	69,506	22,000	3,658,215	3,730,540	(72,325)	102.0%	3,123,364	3,361,287
Financial transactions in assets and liabilities	-	-	-	-	132	(132)	0.0%	-	-
Transfers & subsidies									
Provinces & municipalities	81,488	-	-	81,488	76,148	5,340	93.4%	90,311	85,093
Departmental agencies & accounts	33,529	-	-	33,529	33,529	-	100.0%	11,163	7,605
Universities & technikons	100	-	-	100	100	-	100.0%	-	-
Non-profit institutions	215,597	(15,000)	-	200,597	190,624	9,973	95.0%	226,769	220,605
Households	88,509	2,355	(22,000)	68,864	65,841	3,023	95.6%	71,496	71,265
Payment for capital assets									
Buildings & other fixed structures	513,618	161,709	-	675,327	549,366	125,961	81.3%	427,689	421,838
Machinery & equipment	595,824	(155,567)	-	440,257	388,460	51,797	88.2%	605,061	519,625
Software & other intangible assets	118	-	-	118	382	(264)	323.7%	745	750
Land & subsoil assets	-	-	-	-	-	-	0.0%	920	920
Total	11,819,251	-	-	11,819,251	11,663,951	155,300	98.7%	10,424,516	10,555,752

**KWAZULU-NATAL: DEPARTMENT OF HEALTH
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**APPROPRIATION STATEMENT
For the year ended 31 March 2007**

DETAIL PER PROGRAMME 1 – ADMINISTRATION

Programme per subprogramme	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Office of the MEC									
Current payment	8,415			8,415	8,233	182	97.8%	7,598	7,598
Transfers and subsidies	5			5	5	-	100.0%	17	14
Payment for capital assets	405			405	404	1	99.8%	511	511
1.2 Management									
Current payment	197,272	(2,355)	10,000	204,917	208,692	(3,775)	101.8%	174,208	174,024
Transfers and subsidies	1,392	2,355		3,747	3,751	(4)	100.1%	813	1,000
Payment for capital assets	2,367			2,367	3,815	(1,448)	161.2%	9,770	9,770
TOTAL	209,856	-	10,000	219,856	224,900	(5,044)	102.3%	192,917	192,917

**KWAZULU-NATAL: DEPARTMENT OF HEALTH
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**APPROPRIATION STATEMENT
For the year ended 31 March 2007**

DETAIL PER PROGRAMME 1 – ADMINISTRATION

Economic classification	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	131,572	(16,000)		115,572	114,693	879	99.2%	103,570	103,571
Goods and services	74,115	13,645	10,000	97,760	102,232	(4,472)	104.6%	78,236	78,051
Transfers & subsidies									
Provinces & municipalities	92			92	96	(4)	104.3%	330	316
Universities & technikons	100			100	100	-	100.0%		
Non-profit institutions	100			100	100	-	100.0%		(1)
Households	1,105	2,355		3,460	3,460	-	100.0%	500	699
Payments for capital assets									
Buildings & other fixed structures				-	-	-	0.0%	35	35
Machinery & equipment	2,719			2,719	4,219	(1,500)	155.2%	9,501	9,501
Software & other intangible assets	53			53		53	0.0%	745	745
Total	209,856	-	10,000	219,856	224,900	(5,044)	102.3%	192,917	192,917

**KWAZULU-NATAL: DEPARTMENT OF HEALTH
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**APPROPRIATION STATEMENT
For the year ended 31 March 2007**

DETAIL PER PROGRAMME 2 - DISTRICT HEALTH SERVICES

Programme per subprogramme	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 District Management									
Current payment	87,615		12,000	99,615	108,653	(9,038)	109.1%	71,534	74,316
Transfers and subsidies	358			358	228	130	63.7%	1,355	630
Payment for capital assets	7,522			7,522	4,715	2,807	62.7%	3,773	6,447
2.2 Community Health Clinics									
Current payment	868,029	30,000	14,504	912,533	916,075	(3,542)	100.4%	904,071	824,916
Transfers and subsidies	106,554			106,554	100,809	5,745	94.6%	94,177	93,821
Payment for capital assets	12,021			12,021	10,505	1,516	87.4%	8,097	13,443
2.3 Community Health Centres									
Current payment	265,391	12,400		277,791	281,191	(3,400)	101.2%	212,624	216,420
Transfers and subsidies	1,368			1,368	1,113	255	81.4%	1,309	1,528
Payment for capital assets	3,438			3,438	3,438	-	100.0%	3,543	2,667
2.4 Community Based Services									
Current payment	94,778	(10,000)		84,778	84,505	273	99.7%	97,297	70,722
Transfers and subsidies	3			3	3	3	0.0%	260	255
Payment for capital assets	89			89	89	89	0.0%		

Fighting Poverty, Fighting Disease, Giving Hope

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**APPROPRIATION STATEMENT
For the year ended 31 March 2007**

DETAIL PER PROGRAMME 2 - DISTRICT HEALTH SERVICES

Programme per subprogramme	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.5 Other Community Services									
Current payment	388,083	(19,000)		369,083	367,271	1,812	99.5%	303,623	386,191
Transfers and subsidies	2,121			2,121	2,954	(833)	139.3%	4,100	3,537
Payment for capital assets	4,883			4,883	5,442	(559)	111.4%	6,104	6,879
2.6 HIV and AIDS									
Current payment	727,746	(43,000)		684,746	681,061	3,685	99.5%	526,395	519,274
Transfers and subsidies	42,541	(15,000)		27,541	18,531	9,010	67.3%	11,971	6,885
Payment for capital assets	8,103	(3,725)		4,378	4,378	-	100.0%	4,938	1,934
2.7 Nutrition									
Current payment	31,493			31,493	31,553	(60)	100.2%	26,954	31,792
Transfers and subsidies	3			3	1	2	33.3%	-	28
Payment for capital assets	40			40	40	-	100.0%		
2.8 Coroner Services									
Current payment	76,058			76,058	43,729	32,329	57.5%	4,031	2,094
Transfers and subsidies	4			4	2	2	50.0%	-	1
Payment for capital assets	31,643			31,643	1,109	30,534	3.5%	20,945	841

Fighting Poverty, Fighting Disease, Giving Hope

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**APPROPRIATION STATEMENT
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DETAIL PER PROGRAMME 2 - DISTRICT HEALTH SERVICES

Programme per subprogramme	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.9 District Hospitals									
Current payment	2,519,719	44,600	3,000	2,567,319	2,571,345	(4,026)	100.2%	2,297,679	2,509,541
Transfers and subsidies	94,424		3,000	97,424	96,876	548	99.4%	100,625	95,805
Payment for capital assets	16,067	3,725		19,792	34,777	(14,985)	175.7%	31,352	54,980
TOTAL	5,390,094	-	32,504	5,422,598	5,370,301	52,297	99.0%	4,736,757	4,924,947

**KWAZULU-NATAL: DEPARTMENT OF HEALTH
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**APPROPRIATION STATEMENT
For the year ended 31 March 2007**

DETAIL PER PROGRAMME 2 - DISTRICT HEALTH SERVICES

Economic classification	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current									
Compensation of employees	3,373,746	(7,300)		3,366,446	3,331,158	35,288	99.0%	3,049,858	3,012,772
Goods and services	1,685,166	22,300	29,504	1,736,970	1,754,225	(17,255)	101.0%	1,394,350	1,622,494
Transfers & subsidies									
Provinces & municipalities	79,303			79,303	73,793	5,510	93.1%	81,798	76,491
Non-profit institutions	150,121	(15,000)		135,121	125,148	9,973	92.6%	113,057	106,770
Households	17,952		3,000	20,952	21,573	(621)	103.0%	18,942	19,229
Capital									
Machinery & equipment	83,741			83,741	64,022	19,719	76.5%	78,752	87,095
Software & other intangible assets	65			65	382	(317)	587.7%		
Total	5,390,094	-	32,504	5,422,598	5,370,301	52,297	99.0%	4,736,757	4,924,947

**KWAZULU-NATAL: DEPARTMENT OF HEALTH
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**APPROPRIATION STATEMENT
For the year ended 31 March 2007**

DETAIL PER PROGRAMME 3 - EMERGENCY MEDICAL SERVICES

Programme per subprogramme	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 Emergency Transport									
Current payment	366,382		13,000	379,382	397,564	(18,182)	104.8%	328,465	328,311
Transfers and subsidies	510			510	737	(227)	144.5%	1,021	1,170
Payment for capital assets	63,643			63,643	56,642	7,001	89.0%	71,719	71,697
3.2 Planned Patient transport									
Current payment	18,032			18,032	18,309	(277)	101.5%	8,014	8,014
Transfers and subsidies	10			10	7	3	70.0%	42	18
Payment for capital assets	10,803			10,803	764	10,039	7.1%	11,343	11,394
TOTAL	459,380	-	13,000	472,380	474,023	(1,643)	100.3%	420,604	420,604

**KWAZULU-NATAL: DEPARTMENT OF HEALTH
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**APPROPRIATION STATEMENT
For the year ended 31 March 2007**

DETAIL PER PROGRAMME 3 - EMERGENCY MEDICAL SERVICES

Economic classification	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current									
Compensation of employees	267,342		4,000	271,342	282,147	(10,805)	104.0%	230,046	230,047
Goods and services	117,072		9,000	126,072	133,726	(7,654)	106.1%	106,433	106,278
Transfers & subsidies									
Provinces & municipalities	197			197	205	(8)	104.1%	631	680
Households	323			323	539	(216)	166.9%	432	508
Capital									
Buildings & other fixed structures				-		-	0.0%	-	29
Machinery & equipment	74,446			74,446	57,406	17,040	77.1%	83,062	83,062
Total	459,380	-	13,000	472,380	474,023	(1,643)	100.3%	420,604	420,604

**KWAZULU-NATAL: DEPARTMENT OF HEALTH
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**APPROPRIATION STATEMENT
For the year ended 31 March 2007**

DETAIL PER PROGRAMME 4 - PROVINCIAL HOSPITAL SERVICES

Programme per subprogramme	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1 General Hospitals									
Current payment	2,258,639	89,000		2,347,639	2,354,044	(6,405)	100.3%	2,151,705	2,144,891
Transfers and subsidies	27,253		(3,000)	24,253	22,205	2,048	91.6%	26,889	27,172
Payment for capital assets	16,335		11,010	27,345	29,114	(1,769)	106.5%	36,953	40,923
4.2 Tuberculosis Hospitals									
Current payment	438,303	(129,490)	(18,514)	290,299	284,249	6,050	97.9%	180,833	177,445
Transfers and subsidies	28,490			28,490	28,040	450	98.4%	50,434	50,786
Payment for capital assets	3,886			3,886	2,162	1,724	55.6%	4,461	2,101
4.3 Psychiatric Hospitals									
Current payment	285,667	26,433		312,100	309,957	2,143	99.3%	246,133	245,134
Transfers and subsidies	21,880			21,880	22,488	(608)	102.8%	50,130	49,595
Payment for capital assets				-	2,107	(2,107)	0.0%	1,951	1,005
4.4 Chronic Medical Hospitals									
Current payment	68,723	14,057	(10,000)	72,780	72,361	419	99.4%	46,573	45,467
Transfers and subsidies	3,667			3,667	3,555	112	96.9%	3,474	3,474
Payment for capital assets	1,039			1,039	224	815	21.6%	693	111

Fighting Poverty, Fighting Disease, Giving Hope

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**APPROPRIATION STATEMENT
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DETAIL PER PROGRAMME 4 - PROVINCIAL HOSPITAL SERVICES

Programme per subprogramme	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.5 Dental Training hospitals									
Current payment	9,814			9,814	8,384	1,430	85.4%	8,061	7,935
Transfers and subsidies	42			42	20	22	47.6%	27	23
Payment for capital assets	95			95	35	60	36.8%	50	19
TOTAL	3,163,833	-	(20,504)	3,143,329	3,138,945	4,384	99.9%	2,808,367	2,796,081

**KWAZULU-NATAL: DEPARTMENT OF HEALTH
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**APPROPRIATION STATEMENT
For the year ended 31 March 2007**

DETAIL PER PROGRAMME 4 - PROVINCIAL HOSPITAL SERVICES

Economic classification	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current									
Compensation of employees	2,155,378		(4,000)	2,151,378	2,148,592	2,786	99.9%	1,842,220	1,836,400
Goods and services	905,768		(24,514)	881,254	880,403	851	99.9%	791,085	784,472
Transfers & subsidies									
Provinces & municipalities	1,400			1,400	1,572	(172)	112.3%	5,743	5,715
Non-profit institutions	60,818			60,818	60,818	-	100.0%	109,472	109,596
Households	19,114		(3,000)	16,114	13,918	2,196	86.4%	15,739	15,739
Capital									
Buildings & other fixed structures				-	-	-	0.0%		167
Machinery & equipment	21,355		11,010	32,365	33,642	(1,277)	103.9%	44,108	43,987
Software & other intangible assets				-	-	-	0.0%		5
Total	3,163,833	-	(20,504)	3,143,329	3,138,945	4,384	99.9%	2,808,367	2,796,081

APPROPRIATION STATEMENT
For the year ended 31 March 2007

DETAIL PER PROGRAMME 5 - CENTRAL HOSPITAL SERVICES

Programme per subprogramme	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
5.1 Central Hospitals									
Current payment	238,919		11,010	249,929	260,793	(10,864)	104.3%	187,534	213,166
Transfers and subsidies	246			246	100	146	40.7%	1,147	372
Payment for capital assets	127,473		-11,010	116,463	107,215	9,248	92.1%	110,508	103,860
5.2 Tertiary Hospitals									
Current payment	721,780			721,780	752,274	(30,494)	104.2%	649,570	683,792
Transfers and subsidies	3,151			3,151	1,810	1,341	57.4%	1,111	1,207
Payment for capital assets	76,595			76,595	69,618	6,977	90.9%	74,865	66,209
TOTAL	1,168,164	-	-	1,168,164	1,191,810	(23,646)	102.0%	1,024,735	1,068,606

KWAZULU-NATAL: DEPARTMENT OF HEALTH
VOTE 7

APPROPRIATION STATEMENT
For the year ended 31 March 2007

DETAIL PER PROGRAMME 5 - CENTRAL HOSPITAL SERVICES

Economic classification	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current									
Compensation of employees	464,355	(29,703)		434,652	433,175	1,477	99.7%	327,253	387,107
Goods and services	496,344	29,703	11,010	537,057	579,892	(42,835)	108.0%	509,851	509,851
Transfers & subsidies									
Provinces & municipalities	277			277	291	(14)	105.1%	924	1,033
Departmental agencies & accounts				-	-	-	0.0%		5
Households	3,120			3,120	1,619	1,501	51.9%	1,334	541
Capital									
Machinery & equipment	204,068		-11,010	193,058	176,833	16,225	91.6%	185,373	170,069
Total	1,168,164	-	-	1,168,164	1,191,810	(23,646)	102.0%	1,024,735	1,068,606

**KWAZULU-NATAL: DEPARTMENT OF HEALTH
VOTE 7**

**APPROPRIATION STATEMENT
For the year ended 31 March 2007**

DETAIL PER PROGRAMME 6 - HEALTH SCIENCES AND TRAINING

Programme per subprogramme	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
6.1 Nursing Training Colleges									
Current payment	227,173			227,173	224,278	2,895	98.7%	208,618	214,530
Transfers and subsidies	1,765			1,765	2,307	(542)	130.7%	2,043	2,534
Payment for capital assets	2,928			2,928	2,928	-	100.0%	5,368	2,434
6.2 EMS Training Colleges									
Current payment	11,825			11,825	11,052	773	93.5%	11,810	10,191
Transfers and subsidies	15			15	4	11	26.7%	24	16
Payment for capital assets	947			947	164	783	17.3%	500	4,579
6.3 Bursaries									
Current payment				-	737	(737)	0.0%	92	180
Transfers and subsidies	46,475		(22,000)	24,475	23,734	741	97.0%	34,057	33,638
Payment for capital assets				-	-	-	0.0%		
6.4 Primary Health Care Training									
Current payment	51,854	(11,000)		40,854	39,816	1,038	97.5%	51,995	48,602
Transfers and subsidies	91			91	119	(28)	130.8%	158	173
Payment for capital assets	805			805	45	760	5.6%	1,404	309

APPROPRIATION STATEMENT
For the year ended 31 March 2007

DETAIL PER PROGRAMME 6 - HEALTH SCIENCES AND TRAINING

Programme per subprogramme	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
6.5 Training Other									
Current payment	93,986	11,000		104,986	108,587	(3,601)	103.4%	88,337	87,657
Transfers and subsidies	7,295			7,295	7,286	9	99.9%	6,955	3,286
Payment for capital assets	60			60	12	48	20.0%	228	98
TOTAL	445,219	-	(22,000)	423,219	421,069	2,150	99.5%	411,589	408,227

KWAZULU-NATAL: DEPARTMENT OF HEALTH
VOTE 7

APPROPRIATION STATEMENT
For the year ended 31 March 2007

DETAIL PER PROGRAMME 6 - HEALTH SCIENCES AND TRAINING

Economic classification	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current									
Compensation of employees	331,366	(10,000)		321,366	319,061	2,305	99.3%	314,051	296,867
Goods and services	53,472	10,000		63,472	65,409	(1,937)	103.1%	46,801	64,293
Transfers & subsidies									
Provinces & municipalities	219			219	191	28	87.2%	885	858
Dept agencies & accounts	3,969			3,969	3,969	-	100.0%	3,563	-
Non-profit institutions	4,558			4,558	4,558	-	100.0%	4,240	4,240
Households	46,895		(22,000)	24,895	24,732	163	99.3%	34,549	34,549
Capital									
Buildings & other fixed structures				-		-	0.0%	-	14
Machinery & equipment	4,740			4,740	3,149	1,591	66.4%	7,500	7,406
Total	445,219	-	(22,000)	423,219	421,069	2,150	99.5%	411,589	408,227

APPROPRIATION STATEMENT
For the year ended 31 March 2007

DETAIL PER PROGRAMME 7 - HEALTH CARE SUPPORT SERVICES

Programme per subprogramme	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
7.1 Medicine Trading Account Transfers and subsidies	29,560			29,560	29,560	-	100.0%	7,600	7,600
TOTAL	29,560	-	-	29,560	29,560	-	100.0%	7,600	7,600

Economic classification	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers & subsidies Departmental agencies & accounts	29,560			29,560	29,560	-	100.0%	7,600	7,600
Total	29,560	-	-	29,560	29,560	-	100.0%	7,600	7,600

KWAZULU-NATAL: DEPARTMENT OF HEALTH
VOTE 7

APPROPRIATION STATEMENT
For the year ended 31 March 2007

DETAIL PER PROGRAMME 8 - HEALTH FACILITIES MANAGEMENT

Programme per subprogramme	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
8.1 Community Health Services									
Current payment	30,534	(12,000)		18,534	18,402	132	99.3%	42,355	21,053
Payment for capital assets	188,727	(5,653)		183,074	146,578	36,496	80.1%	199,968	203,367
8.2 District Hospitals									
Current payment	99,318	12,000		111,318	111,180	138	99.9%	90,498	92,913
Payment for capital assets	256,168	5,653		261,821	219,694	42,127	83.9%	112,989	145,728
8.3 Emergency Medical Services									
Current payment	590			590	530	60	89.8%	1,200	683
Payment for capital assets	21,333	(13,567)		7,766	7,766	-	100.0%	9,000	5,727
8.4 Provincial Hospital Services									
Current payment	64,568	(6,142)	(6,000)	52,426	51,863	563	98.9%	39,512	49,215
Payment for capital assets	223,396	31,509		254,905	198,473	56,432	77.9%	238,141	178,409
8.5 Central Hospital Services									
Current payment				-	20	(20)	0.0%		-
Payment for capital assets	8,492			8,492	17,590	(9,098)	207.1%	48,000	

APPROPRIATION STATEMENT
For the year ended 31 March 2007

DETAIL PER PROGRAMME 8 - HEALTH FACILITIES MANAGEMENT

Programme per subprogramme	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
8.6 Other Services									
Current payment	39,762		(7,000)	32,762	32,658	104	99.7%	23,043	31,984
Payment for capital assets	20,257	(11,800)		8,457	8,454	3	100.0%	17,241	7,691
TOTAL	953,145	-	(13,000)	940,145	813,208	126,937	86.5%	821,947	736,770

Economic classification	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current									
Goods and services	234,772	(6,142)	(13,000)	215,630	214,653	977	99.5%	196,608	195,848
Capital									
Buildings & other fixed structures	513,618	161,709		675,327	549,366	125,961	81.3%	427,654	421,497
Machinery & equipment	204,755	(155,567)		49,188	49,189	(1)	100.0%	196,765	118,505
Land & subsoil assets				-	-	-	0.0%	920	920
Total	953,145	-	(13,000)	940,145	813,208	126,937	86.5%	821,947	736,770

APPROPRIATION STATEMENT
For the year ended 31 March 2007

DETAIL PER PROGRAMME 9 - SPECIAL FUNTIONS

Programme per subprogramme	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
9.1 Special Funtions									
Current payment				-	135	(135)	0.0%		
TOTAL	-	-	-	-	135	(135)	0.0%	-	-

Economic classification	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current									
Compensation of employees				-	3	(3)	0.0%		
Financial transactions in assets and liabilities				-	132	(132)	0.0%		
Total	-	-	-	-	135	(135)	0.0%	-	-

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2007**

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-H) to the annual financial statements.

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

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

3. Detail on financial transactions in assets and liabilities

Detail of these transactions per programme can be viewed in note 6 (Financial transactions in assets and liabilities) to the Annual Financial Statements.

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

4.1 Per Programme:

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	
Administration	219,856	224,900	(5,044)	(2.29%)
Expenditure on this programme relates to the Head Office Function. After effecting the approved virements the over-expenditure of 2.29% is associated with the move to Capital Towers, purchasing of computers as well as improved employees' severance packages.				
District Health Services	5,422,598	5,370,301	52,297	0.96%
The under-expenditure on this programme relates mainly to the under expenditure within the Coroner Services Conditional Grant for which a roll-over has been requested.				
Emergency Medical Services	472,380	474,023	(1,643)	(0.35%)
After effecting the approved virements, the over-expenditure, the over-expenditure of R1,643m relates mainly to the expansion of Emergency Medical Services throughout the Province and pressures associated with the provision of personnel for disaster management.				
Provincial Hospital Services	3,143,329	3,138,945	4,384	0.14%
After effecting the approved virements, the under spending in this programme was caused mainly by a shortage of professional staff for which funding had been provided.				
Central Hospital Services	1,168,164	1,191,810	(23,646)	(2.02%)
The over-expenditure in this programme can be attributed mainly to the development of tertiary services in Uthungulu and Umgungundlovu Districts.				
Health Sciences and Training	423,219	421,069	2,150	0.51%
After the approved virements were effected, the under-expenditure relates mainly to accounts from universities and technikons not being submitted to the Department in time for payment to be effected before 31 March 2007.				

**KWAZULU-NATAL : DEPARTMENT OF HEALTH
VOTE 7**

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2007**

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
Health Care Support Services	29,560	29,560	0	0%
Expenditure on this programme is approved for this main division.				
	R'000	R'000	R'000	
Health Facilities Management	940,145	813,208	126,937	13.50%
After the approved virements, the under-expenditure on this programme relates mainly to the Revitalisation and Coroner Services conditional grants, for which roll-overs have been requested.				
Special Functions	0	135	(135)	100%
This relates to staff debt written-off during the year.				

4.2 Per economic classification

	2006/07 R'000	2005/06 R'000
Current payment:		
Compensation of employees	6,660,756	5,866,998
Goods and services	3,658,215	3,123,364
Transfers and subsidies:		
Provinces and municipalities	81,488	90,311
Departmental agencies and accounts	33,529	11,163
Universities and Technikons	100	-
Non-profit institutions	200,597	226,769
Households	68,864	71,496
Payments for capital assets:		
Buildings and other fixed structures	675,327	427,689
Machinery and equipment	440,257	605,061
Software and other intangible assets	118	745
Land and sub soil assets	-	920
TOTAL	<u>11,819,251</u>	<u>10,424,516</u>

**KWA-ZULU NATAL : DEPARTMENT OF HEALTH
VOTE 7**

**STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2007**

	Note	2006/07 R'000	2005/06 R'000
REVENUE			
Annual appropriation	1	11,819,251	10,424,516
Departmental revenue	2	121,289	137,689
Local and foreign aid assistance	3	15,334	13,577
TOTAL REVENUE		11,955,874	10,575,782
EXPENDITURE			
Current expenditure			
Compensation of employees	4	6,628,829	5,866,764
Goods and services	5	3,730,540	3,361,287
Financial transactions in assets and liabilities	6	132	-
Local and foreign aid assistance	3	16,817	21,262
Total current expenditure		10,376,318	9,249,313
Transfers and subsidies	7	366,242	384,568
Expenditure for capital assets			
Buildings and other fixed structures	8	549,366	421,838
Machinery and Equipment	8	388,460	519,625
Software and other intangible assets	8	382	750
Land and subsoil assets	8	-	920
Total expenditure for capital assets		938,208	943,133
TOTAL EXPENDITURE		11,680,768	10,577,014
SURPLUS/ (DEFICIT)		275,106	(1,232)
Add back unauthorised expenditure	9	30,468	232,061
SURPLUS FOR THE YEAR		305,574	230,829
Reconciliation of Surplus for the year			
Voted Funds	13	185,768	100,825
Department Revenue	14	121,289	137,689
Local and foreign aid assistance	3	(1,483)	(7,685)
SURPLUS FOR THE YEAR		305,574	230,829

**KWA-ZULU NATAL : DEPARTMENT OF HEALTH
VOTE 7**

**STATEMENT OF FINANCIAL POSITION
as at 31 March 2007**

	Note	2006/07 R'000	2005/06 R'000
ASSETS			
Current assets		1,116,651	1,071,632
Unauthorised expenditure	9	1,046,803	1,016,335
Cash and Cash Equivalent	10	1,196	1,747
Prepayments and advances	11	328	192
Receivables	12	59,769	53,358
Local and foreign aid assistance receivable	3	600	-
Departmental revenue to be surrendered to the Revenue Fund	14	7,955	-
TOTAL ASSETS		1,116,651	1,071,632
LIABILITIES			
Current Liabilities		1,111,306	1,067,330
Voted funds to be surrendered to the Revenue Fund	13	279,580	92,916
Departmental revenue to be surrendered to the Revenue Fund	14	-	30,584
Bank overdraft	15	811,623	897,904
Payables	16	17,799	42,739
Local and foreign aid assistance unutilised	3	2,304	3,187
TOTAL LIABILITIES		1,111,306	1,067,330
NET ASSETS		5,345	4,302
Represented by:			
Recoverable revenue		5,345	4,302
TOTAL		5,345	4,302

KWA-ZULU NATAL : DEPARTMENT OF HEALTH
VOTE 7

STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2007

	2006/07 R'000	2005/06 R'000
Recoverable revenue		
Opening balance	4,302	450
Transfers		
Debts raised	1,043	3,852
Closing balance	<u>5,345</u>	<u>4,302</u>

**KWA-ZULU NATAL : DEPARTMENT OF HEALTH
VOTE 7**

**CASH FLOW STATEMENT
for the year ended 31 March 2007**

	Note	2006/07 R'000	2005/06 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		11,955,859	10,757,746
Annual appropriation funds received	1.1	11,819,251	10,424,516
Departmental revenue received		121,274	137,653
Local and foreign aid assistance received	3	15,334	13,577
Net decrease/(increase) in working capital		(100,951)	60,753
Surrendered to Revenue Fund		(119,936)	(185,347)
Current payments		(10,376,318)	(9,249,313)
Unauthorised expenditure – Current payment	9	30,468	-
Transfers and subsidies paid		(366,242)	(384,568)
Net cash flow available from operating activities	17	1,022,880	817,271
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(938,208)	(943,133)
Proceeds from sale of capital assets	2.3	15	36
Net cash flows from investing activities		(938,193)	(943,097)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		1,043	3,852
Net cash flows from financing activities		1,043	3,852
Net increase/ (decrease) in cash and cash equivalents		85,730	(121,974)
Cash and cash equivalents at beginning of period		(896,157)	(774,183)
Cash and cash equivalents at end of period	18	(810,427)	(896,157)

**KWA-ZULU NATAL : DEPARTMENT OF HEALTH
VOTE 7**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

1. Annual Appropriation

1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act for Provincial Departments (Equitable Share).

Programmes	Final Appropriation R'000	Actual Funds received R'000	Funds not requested/ not received R'000	Appropriation received 2005/06 R'000
Administration	219,856	209,856	10,000	194,010
District Health Services	5,422,598	5,390,094	32,504	4,655,765
Emergency Medical Services	472,380	459,380	13,000	408,604
Provincial Hospital Services	3,143,329	3,163,833	(20,504)	2,916,262
Central Hospital Services	1,168,164	1,168,164	-	1,024,735
Health Sciences and Training	423,219	445,219	(22,000)	420,202
Health Care Support Services	29,560	29,560	-	7,600
Health Facilities Management	940,145	953,145	(13,000)	796,947
Total	11,819,251	11,819,251	-	10,424,125

1.2 Conditional grants

	Note	2006/07 R'000	2005/06 R'000
Total grants received	ANNEXURE 1A	1,932,877	1,592,500
Provincial Grants included in Total grants received		174,098	

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

2. Departmental revenue to be surrendered to Revenue Fund

		2006/07 R'000	2005/06 R'000
Sales of goods and services other than capital assets	2.1	111,065	114,095
Fines, penalties and forfeits		6	6
Interest, dividends and rent on land	2.2	622	21
Sales of capital assets	2.3	15	36
Financial transactions in assets and liabilities	2.4	9,581	23,531
Total revenue collected		121,289	137,689

KWAZULU-NATAL : DEPARTMENT OF HEALTH
VOTE 7

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

	2006/07 R'000	2005/06 R'000
2.1 Sales of goods and services other than capital assets		
Sales of goods and services produced by the department	110,107	113,352
Administrative fees	3,606	3,481
Other sales	106,501	109,871
Sales of scrap, waste and other used current goods	958	743
Total	111,065	114,095
2.2 Interest, dividends and rent on land		
Interest	622	21
2.3 Sales of capital assets		
Other capital assets	15	36
2.4 Financial transactions in assets and liabilities		
Nature of loss recovered		
Other receipts including recoverable revenue	9,581	23,531
3. Local and foreign aid assistance		
3.1 Assistance received in cash: Other		
Local		
Opening balance	1,529	3,056
Revenue	2,518	4,077
Expenditure : Current	1,743	5,604
Closing balance	2,304	1,529
Foreign		
Opening balance	1,658	7,816
Revenue	12,816	9,500
Expenditure : Current	15,074	15,658
Closing balance	(600)	1,658
Total		
Opening Balance	3,187	10,872
Revenue	15,334	13,577
Expenditure : Current	16,817	21,262
Closing balance	1,704	3,187
Analysis of balance		
Local and foreign aid receivable	600	
Local and foreign aid unutilised	(2,304)	(3,187)

KWAZULU-NATAL : DEPARTMENT OF HEALTH
VOTE 7

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

	(1,704)	(3,187)
	2006/07 R'000	2005/06 R'000
4. Compensation of employees		
4.1 Salaries and wages		
Basic Salary	4,469,696	3,966,263
Performance award	309	231
Service Based	13,632	10,410
Compensative/circumstantial	593,678	486,167
Periodic payments	61,842	64,002
Other non-pensionable allowances	624,916	559,871
Total	5,764,073	5,086,944
4.2 Social contributions		
4.2.1 Employer contributions		
Pension	566,971	504,054
Medical	295,347	273,531
UIF	441	446
Bargaining council	1,730	1,644
Official unions and associates	-	1
Insurance	267	144
Total	864,756	779,820
Total compensation of employees	6,628,829	5,866,764
Average number of employees	61,043	54,742

During the 2006/2007 financial year, the MEC received the following benefits:

A basic salary of R501,983, a Political Allowance of R39, 999 and a Political Office Car Allowance of R135,647.

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	Note	2006/07 R'000	2005/06 R'000
5. Goods and services			
Advertising		47,420	47,020
Attendance fees (including registration fees)		7,269	8,813
Bank charges and card fees		1,396	4,159
Bursaries (employees)		15	14
Communication		93,972	87,233
Computer services		58,198	48,222
Consultants, contractors and special services		547,173	500,605
Courier and delivery services		1,418	1,818
Drivers licences and permits		113	1,612
Entertainment		2,331	2,160
External audit fees	5.1	4,538	4,295
Equipment less than R5 000		60,850	52,411
Freight services		1,306	1,241
Honoraria (Voluntary workers)		14	11
Inventory	5.2	2,012,281	1,860,443
Legal fees		2,407	3,099
Licence agency fees		-	1
Maintenance, repair and running costs		194,164	177,882
Medical services		267,125	194,434
Operating leases		68,837	44,499
Personnel agency fees		17,470	14,823
Plant flowers and other decorations		114	124
Professional bodies and membership fees		11,254	10,931
Resettlement costs		10,092	5,485
Subscriptions		13	6
Taking over of contractual obligations		37	129
Owned and leasehold property expenditure		135,612	119,208
Translations and transcriptions		1	27
Transport provided as part of the departmental activities		17,078	9,914
Travel and subsistence	5.3	70,844	63,298
Venues and facilities		35,554	35,630
Protective, special clothing & uniforms		32,983	32,826
Training and staff development		28,657	28,912
Witness and related fees		4	2
Total		<u>3,730,540</u>	<u>3,361,287</u>

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	2006/07 R'000	2005/06 R'000
5.1 External audit fees		
Regulatory audits	4,403	3,131
Performance audits	135	417
Other audits	-	747
Total external audit fees	<u><u>4,538</u></u>	<u><u>4,295</u></u>
5.2 Inventory		
Inventory subcharges	-	71
Medsas inventory interface	3	29
Construction work in progress	395	11
Domestic consumables	136,620	125,069
Food and food supplies	120,284	118,026
Fuel, oil and gas	61,275	47,113
Laboratory consumables	2	699
Other consumables	10,707	12,049
Parts and other maintenance material	135,118	119,289
Sport and recreation	646	469
Stationery and Printing	64,530	88,640
Medical Supplies	1,482,701	1,348,978
Total	<u><u>2,012,281</u></u>	<u><u>1,860,443</u></u>

The total inventory on hand as at 31 March 2007 is R1,706 billion. This amount consists of consumables of R247m, pharmaceuticals of R207m and equipment of R1,252billion.

	2006/07 R'000	2005/06 R'000
5.3 Travel and subsistence		
Local	69,702	62,820
Foreign	1,142	478
Total	<u><u>70,844</u></u>	<u><u>63,298</u></u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

		2006/07 R'000	2005/06 R'000
6. Financial transactions in assets and liabilities			
Debts written off	6.1	<u>132</u>	<u>-</u>
6.1 Debts written off			
Nature of debts written off			
Staff debts written off during the year		<u>132</u>	<u>-</u>
<p>During the 2006/ 2007 financial year an amount of R704 000 was written off for thefts and damages.</p>			
	Note		
7. Transfers and subsidies			
Provinces and municipalities	ANNEXURE 1B, 1C & 1D	76,148	85,093
Departmental agencies and accounts	ANNEXURE 1E	33,529	7,605
Universities and technikons	ANNEXURE 1F	100	-
Non-profit institution	ANNEXURE 1G	190,624	220,605
Households	ANNEXURE 1H	65,841	71,265
Total		<u>366,242</u>	<u>384,568</u>
8. Expenditure on capital assets			
Buildings and other fixed structures	28	549,366	421,838
Machinery and equipment	28	388,460	519,625
Land and subsoil assets	28	-	920
Software and other intangible assets	29	382	750
Total		<u>938,208</u>	<u>943,133</u>

During the year the Department had paid an amount of R57, 7 million to the 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 2007/2008 financial year.

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	2006/07 R'000	2005/06 R'000
9. Unauthorised expenditure		
9.1 Reconciliation of unauthorised expenditure		
Opening balance	1,016,335	784,274
Unauthorised expenditure-current year	30,468	232,061
Unauthorised expenditure awaiting authorisation	1,046,803	1,016,335
 9.2 Analysis of current unauthorised expenditure		2006/07 Total R'000
Incident	Disciplinary steps taken/criminal proceedings	
Administration	Net overspending on Programme	5,044
Emergency Medical Services	Net overspending on Programme	1,643
Central Hospital	Net overspending on Programme	23,646
Theft and Losses	Debt write-off	135
Total		30,468
 10. Cash and cash equivalents		
Consolidated Paymaster General Account	900	1,448
Cash on hand	296	299
Total	1,196	1,747
 11. Prepayments and advances		
Travel and subsistence	328	192

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		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 3,421	5,800	2,387	11,608	4,824
	Other debtors	12.2 17,645			17,645	9,242
	Intergovernmental receivables	Annexure 3 30,516			30,516	296
	Total	51,582	5,800	2,387	59,769	53,358
					2006/07 R'000	2005/06 R'000
12.1	Staff debtors					
	Debt account				<u>11,608</u>	<u>4,824</u>
	Other debtors					
	Salary control accounts				6,408	5,280
	Dishonoured Cheques				17	3
	Inventory – CPS Interface				4,334	4,201
	Inventory – CPS				2,927	(6,081)
	Sundry debtors				3,959	5,839
	Total				<u>17,645</u>	<u>9,242</u>
13.	Voted funds to be surrendered to the Revenue Fund					
	Opening balance				82,685	(10,232)
	Transfer from Statement of Financial Performance				185,768	100,825
	Under-funding in 2004/05 received in 2006/07				11,146	-
	Adjustments				(19)	(7,908)
	Closing balance				<u>279,580</u>	<u>82,685</u>

The department has requested a total amount of R149, 264m to be rolled over from the 2006/2007 financial year to the 2007/2008 financial year. This is made up of Conditional Grants of R57,503m for the Forensic Pathology Services Grant and R91,761m for the Hospital Revitalisation Grant.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

			2006/07 R'000	2005/06 R'000
14.	Departmental revenue to be surrendered to the Revenue Fund			
	Opening balance		1,819	41,569
	Transfer from Statement of Financial Performance		121,289	137,689
	Paid during the year		(131,063)	(177,439)
	Closing balance		<u>(7,955)</u>	<u>1,819</u>
15.	Bank overdraft			
	Consolidated Paymaster General Account		811,623	897,904
	Total		<u>811,623</u>	<u>897,904</u>
16.	Payables – current		2006/07	2005/06
	Description	Note	Total	Total
			R'000	R'000
	Cleaning accounts	16.1	3,299	3,249
	Other payables	16.2	14,500	39,490
	Total		<u>17,799</u>	<u>42,739</u>
16.1	Clearing accounts			
	Salary control account		3,297	3,238
	Debt Control Tax Debt		2	11
	Total		<u>3,299</u>	<u>3,249</u>
16.2.	Other payables			
	Pension recoverable account		5,657	2,994
	Medsas Account		8,843	36,496
	Total		<u>14,500</u>	<u>39,490</u>

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The Medsas Account relates to balances owing to the Provincial Medical Supply Centre (PMSC). The corresponding debtor balance in the financial statements of the PMSC is R9,582m. The difference of R639,000 is as a result of PMSC complying with the accrual basis of accounting as opposed to the cash basis and comprises adjustments for payables, receivables and depreciation at year-end.

	2006/07 R'000	2005/06 R'000
17. Net cash flow available from operating activities		
Net surplus as per Statement of Financial Performance	305,574	230,829
Add back non-cash movements/ movements not deemed operating activities:	717,306	586,442
(Increase/decrease in receivables – current Increase)/decrease in prepayments and advances	(45,407)	27,181
(Increase) in other current assets	(136)	306
(Decrease)/Increase in payables – current	(31,068)	(232,061)
Proceeds from sale of capital assets	(24,940)	33,266
Expenditure on capital assets	(15)	(36)
Surrenders to revenue fund	938,208	943,133
Other non-cash items	(119,936)	(185,347)
	600	-
Net cash flow generated by operating activities	1,022,880	817,271

The R600,000 included above relates to over-spending in donor funding and is shown separately in the notes as it has already been taken into account in the calculation of the increase in other current assets above.

	2006/07 R'000	2005/06 R'000
18. Reconciliation of cash and cash equivalents for cash flow purposes		
Consolidated Paymaster General Account	(811,623)	(897,904)
Cash receipts	900	1,448
Cash on hand	296	299
Total	(810,427)	(896,157)

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

19. Contingent liabilities	Note	2006/07 R'000	2005/06 R'000
Liable to	Nature		
Motor vehicle guarantees	Employees ANNEXURE 2A	969	652
Housing loan guarantees	Employees ANNEXURE 2A	47,367	52,878
Claims against the department	ANNEXURE 2B	199,047	182,160
Other departments (Interdepartmental Unconfirmed balances)	ANNEXURE 4	125,535	17,565
Total		<u>372,918</u>	<u>253,255</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	2006/07 R'000	2005/06 R'000
Current expenditure		
Approved and contracted	127,809	97,191
Approved but not yet contracted	255,883	170,312
Total	<u>383,692</u>	<u>267,503</u>
Non-current expenditure		
Approved and contracted	1,087,666	1,300,947
Approved but not yet contracted	1,328,030	1,165,754
	<u>2,415,696</u>	<u>2,466,701</u>
Total Commitments	<u>2,799,388</u>	<u>2,734,204</u>

The commitments are for expenditure that is managed by the Department of Works.

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21. Accruals	30 Days R'000	30+ Days R'000	2006/07 R'000	2005/06 R'000
Compensation of Employees	1,075		1,075	-
Goods and services	111,119		111,119	32,419
Buildings and other fixed structures				25
Machinery and equipment	81,892		81,892	1,093
Total	194,086		194,086	33,537

Listed by programme level

Administration		75,735	15,709
District Health Services		52,770	6,465
Emergency Medical Services		532	8
Provincial Hospital Services		47,904	5,573
Central Hospital Services		10,746	1,400
Health Sciences and Training		927	271
Health Care Support Services		-	4,111
Health Facilities Management		5,472	-
Total		194,086	33,537

Confirmed balances with other departments	ANNEXURE 4	453	-
Confirmed balances with other government entities	ANNEXURE 4		
Total		44	-
		497	-

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	2006/07 R'000	2005/06 R'000
Leave entitlement	281,511	243,521
Thirteenth cheque	191,260	168,772
Capped leave commitments	581,676	616,468
Total	1,054,447	1,028,761

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.

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23. Lease Commitments

	Buildings & Other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000
23.1 Operating leases			
2006/ 2007			
Not later than 1 year	30,992	38,358	69,350
Later than 1 year and not later than 5 years	85,315	-	85,315
Later than 5 years	89,757	-	89,757
Total present value of lease liabilities	206,064	38,358	244,422
2005/ 2006			
Not later than 1 year	14,674	-	14,674
Later than 1 year and not later than 5 years	20,514	-	20,514
Total present value of lease liabilities	35,188	-	35,188

	2006/07 R'000	2005/06 R'000
24. Receivables for departmental revenue		
Sales of goods and services other than capital assets	47,573	43,289
Financial transactions in assets and liabilities	-	39,000
Other	-	8,082
Total	47,573	90,371

	No of Individuals	2006/07 R'000	2005/06 R'000
25. Key Management Personnel			
Political Office Bearer	1	678	650
Level 15 to 16	3	2,605	2,949
Level 14	37	22,011	14,043
		25,294	17,642

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26. 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.

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 operates 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 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.

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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:

	Actual Expenditure: 2006/07	Commitment for 2007/08	Payments from 1 April 2008 till the End of the contract
	R'000	R'000	R'000
Monthly Service Fee	274,158	229,807	2,353,011
Quarterly Fee	172,368	153,307	1,072,196
TOTAL	446,526	383,114	3,425,207

	Actual Expenditure: 2005/06	Commitment for 2005/06	Payments from 1 April 2007 till the end of the contract
	R'000	R'000	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

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26. Public Private Partnership – (continued)

Listed below were the expenditure incurred for the current and prior year:

	2006/2007 R'000	2005/2006 R'000
Contract fee paid		
Indexed component	446,526	422,587
Current expenditure		
Compensation of employees	63,643	59,346
Goods and Services(excluding lease payments)	79,851	7,191
Capital/(Liabilities)		
Plant and equipment	5,503	45,796
Other		
Other obligations	-	(45)
Total	<u><u>595,523</u></u>	<u><u>534,875</u></u>

27. Provisions

Provision for CPS loss in prior years	<u><u>7,908</u></u>	<u><u>-</u></u>
---------------------------------------	---------------------	-----------------

During the 2005/ 2006 financial year, the department had set-off the 2004/ 2005 CPS loss of R7,908m against the department's budget. Approval of the HOD is required prior to the reversal of this loss, which would take place in the 2007/ 2008 financial year.

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28. Tangible Capital Assets

Movement in tangible capital assets per asset register for the year ended 31 March 2007

	Opening balance Cost R'000	Current Year Adjustments to prior year balances Cost R'000	Additions Cost R'000	Disposals/ Transfers Cost R'000	Closing balance Cost R'000
Building and other fixed structures	421,838	221,316	549,366	1,192,520	-
Dwellings	66,699	18,047	83,004	167,750	-
Non-residential buildings	355,104	203,269	459,406	1,017,779	-
Other fixed structures	35	-	6,956	6,991	-
Machinery and equipment	519,625	359,479	388,460	-	1,267,564
Transport assets	121,876	95,608	80,714	-	298,198
Computer equipment	50,296	3,686	10,320	-	64,302
Furniture and Office equipment	18,023	5,279	21,310	-	44,612
Other machinery and equipment	329,430	254,906	276,116	-	860,452
Land and subsoil assets	920	6,574	-	7,494	-
Land	920	6,574	-	7,494	-
Total tangible assets	942,383	587,369	937,826	1,200,014	1,267,564

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
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28.1 Additions to tangible capital asset per asset register for the year ended 31 March 2007

	Cash Cost R'000	Non-Cash Fair Value R'000	(Capital work in progress - current costs) Cost R'000	Received current year, not paid (Paid current year, received prior year) Cost R'000	Total Cost R'000
Building and other fixed structures	549,366	-	-	-	549,366
Dwellings	83,004				83,004
Non-residential buildings	459,406				459,406
Other fixed structures	6,956				6,956
Machinery and equipment	388,460	-	-	-	388,460
Transport assets	80,714				80,714
Computer equipment	10,320				10,320
Furniture and Office equipment	21,310				21,310
Other machinery and equipment	276,116				276,116
Total capital assets	<u>937,826</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>937,826</u>

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
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28.2 Disposals/ Transfers of tangible capital assets per asset register for the year ended 31 March 2007

	Sold (cash) Cost R'000	Non-cash Fair Value R'000	Total Cost R'000	Cash Received Actual R'000
Building and other fixed structures	-	1,192,520	1,192,520	8
Dwellings	-	167,750	167,750	3
Non-residential buildings	-	1,017,779	1,017,779	-
Other fixed structures	-	6,991	6,991	5
Machinery and equipment				
Furniture and Office equipment	-	-	-	7
Land and subsoil assets				
Land	-	7,494	7,494	7
Total	-	1,200,014	1,200,014	15

Included in Non-cash Fair value disposals of immovable assets amounting to R1,200,014,000. These immovable assets have been transferred to the Department of Works.

A breakdown of these transferred assets are as follows:

	R'000
Dwellings	167,750
Non-residential buildings	1,017,779
Other fixed structures	6,991
Heritage assets	-
Land	7,494
	1,200,014

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
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28.3 Movement in tangible capital assets per asset register for the year ended 31 March 2006

	Opening balance R'000	Additions R'000	Disposals R'000	Closing Balance 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	-	519,625
Transport assets	-	121,876	-	121,876
Computer equipment	-	50,296	-	50,296
Furniture and Office equipment	-	18,023	-	18,023
Other machinery and equipment	-	329,430	-	329,430
Land and subsoil assets				
Land		920		920
Total tangible assets	-	942,383	-	942,383

29. Intangible Capital Assets

Movement in intangible capital assets per asset register for the year ended 31 March 2007

	Opening balance Cost R'000	Current Year Adjustments to prior year balances Cost R'000	Additions Cost R'000	Disposals Cost R'000	Closing balance Cost R'000
Computer software	750		382	-	1,132
Total intangible assets	750	-	382	-	1,132

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29.1 Additions to intangible capital assets per asset register for the year ended 31 March 2007

	Cash Cost R'000	Non-cash Fair Value R'000	(Development work in progress - current costs) Cost R'000	Received current year, not paid (Paid current year, received prior year) Cost R'000	Total Cost R'000
Computer software	382				382
Total	382	-	-	-	382

29.2 Capital intangible asset movement schedule for the year ended 31 March 2006

	Opening balance Cost R'000	Additions Cost R'000	Disposals Cost R'000	Closing balance Cost R'000
Computer software	-	750	-	750
Total intangible assets	-	750	-	750

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007

ANNEXURE 1 A

STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF GRANT	GRANT ALLOCATION				SPENT			2005/06	
	Division of Revenue Act	DoRA Adjustments	Other 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	732,167			732,167	732,167	732,167	100%	691,451	691,451
HIV and AIDS Health	344,304			344,304	344,304	344,304	100%	251,468	251,468
Hospital Revitalisation	205,171		112,118	317,289	317,289	225,528	71.1%	223,939	111,821
Integrated Nutrition Programme								26,954	26,954
Hospital Management and Quality Improvement								23,778	19,514
Health Professions Training and Development	192,373		12,286	204,659	204,659	204,659	100%	192,373	180,087
Provincial Infrastructure	174,098			174,098	174,098	174,098	100%	157,561	157,561
Coroner Service	126,568	11,440	22,352	160,360	160,360	63,884	39.8%	24,976	2,624
Total	1,774,681	11,440	146,756	1,932,877	1,932,877	1,744,640		1,592,500	1,441,480

KWA-ZULU NATAL : DEPARTMENT OF HEALTH
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007

ANNEXURE 1 B

STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS PAID TO PROVINCES

NAME OF DEPARTMENT	GRANT ALLOCATION				TRANSFER		SPENT			2005/06
	Amount	Roll Overs	Other Adjustments	Total Available	Actual Transfer	% of Available Transferred	Amount received by department	Amount spent by department	% of Available funds spent by department	Total Available
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Payments in respect of Motor Vehicle Licences Department of Transport					408		408			606
	-	-	-	-	408		408	-		606

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

ANNEXURE 1 C

STATEMENT OF CONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2005/06
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of Available funds spent by municipality	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	301		225	526	365	69.4%	365			325
Dannhauser	481		71	552	519	94.0%	519			402
Edumbe	872		(495)	377	557	147.7%	557			712
Emnambithi	4,421			4,421	3,920	88.7%	3,920			3,710
Endonsakusuka	921		(11)	910	854	93.8%	854			856
Endumeni	2,751		(11)	2,740	1,561	57.0%	1,561			1,549
Ethekwini	37,281		(2,215)	35,066	33,603	95.8%	33,603			31,224
Hibiscus Coast	2,918		(14)	2,904	2,666	91.8%	2,666			2,644
Greater Kokstad	919		(283)	636	581	91.4%	581			1,744
KwaDukuza	3,747		(47)	3,700	3,006	81.2%	3,006			3,703
KZ5A5 Ubuhle	24			24	-	0.0%	-			10
Matatiele	1,531		(511)	1,020	1,513	148.3%	1,513			2,040
Mooi Mpofana	773			773	773	100.0%	773			704
Msunduzi	7,744		(2)	7,742	8,128	105.0%	8,128			7,228
Mthonjaneni	674		110	784	784	100.0%	784			342
Newcastle	1,070		(7)	1,063	1,056	99.3%	1,056			950
Okhahlamba	1,100			1,100	691	62.8%	691			790
Richmond	63		(41)	22	-	0.0%	-			9
Ulundi	50		(34)	16	-	0.0%	-			9
Umdoni	1,163		(7)	1,156	1,140	98.6%	1,140			1,040

Fighting Poverty, Fighting Disease, Giving Hope

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 1 C (continued)

STATEMENT ON CONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2005/06
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of Available funds spent by municipality	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Umhlatuze	1,531		2,614	4,145	3,927	94.7%	3,927			1,779
Umlalazi	1,595		362	1,957	1,538	78.6%	1,538			1,136
Umngeni	1,133		(27)	1,106	1,048	94.8%	1,048			1,015
Umshwathi	371			371	371	100.0%	371			306
Umthezi	1,598			1,598	776	48.6%	776			939
Umuziwabantu	528		76	604	597	98.8%	597			476
Umvoti	1,363		(8)	1,355	762	56.2%	762			881
Uphongolo	27		(27)	-	-	0.0%	-			-
Utrecht	21		1	22	-	0.0%	-			-
Total	76,971	-	(281)	76,690	70,736		70,736	-		66,523

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

ANNEXURE 1 D

STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2005/06
	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	2,092		(448)	1,644	1,776		1,776			6,321
- Msunduzi	33		(33)	-	-		-			
-	791		4	795	810		810			3,099
Umgungundlovu										
- Ugu	238		26	264	261		261			931
- Uthungulu	390		155	545	579		579			1,977
- Umzinyathi	241		9	250	250		250			988
- Indlovu (Sisonke)	65		2	67	8		8			242
- Uthukela	174		6	180	198		198			686
- Zululand	298		26	324	329		329			1,192
- Ilembe	270		16	286	343		343			807
- Amajuba	197		20	217	218		218			840
- Umkhanyakude	254		(28)	226	232		232			881
TOTAL	5,043	-	(245)	4,798	5,004		5,004	-		17,964

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 1 E

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENTS / AGENCY / ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2005/06
	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	3,969			3,969	3,969	100.0%	5
Cape Medical Depot Augmentation (PMSC)	29,560			29,560	29,560	100.0%	7,600
TOTAL	33,529	-	-	33,529	33,529		7,605

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ANNEXURE 1 F

STATEMENT OF TRANSFERS TO UNIVERSITIES/ TECHNIKONS

DEPARTMENTS / AGENCY / ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2005/06
	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
University of KwaZulu-Natal	100			100	100	100.0%	-
TOTAL	100	-	-	100	100		-

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 1 G

STATEMENT OF TRANSFERS AND SUBSIDIES TO NON-PROFIT INSTITUTIONS

NON PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2005/06
	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
Transfers							
African Renaissance			100	100	100	100.0%	-
	-	-	100	100	100		-
Subsidies							
Austerville Halfway House	314			314	314	100.0%	285
Azalea House	342			342	342	100.0%	311
Bekimpelo/Bekulwandle Trust Clinic	4,237		8	4,245	4,245	100.0%	4,000
Benedictine Clinic	260			260	260	100.0%	225
Charles James Hospital (Santa)	-			-	-		1,809
Cheshire Day Care Centre (Educare)	218			218	218	100.0%	198
Cleremont Day Care Centre	261			261	261	100.0%	238
Day Care Club 91	110		(29)	81	81	100.0%	127
Day Care Club 92	107		(61)	46	46	100.0%	71
Don Mackenzie Hospital	-			-	-		208
Don Mackenzie Santa Med	-			-	-		1,824
Doris Goodwin Special Hospital	-			-	-		1,247
Dunstan Farrel Hospital (Santa)	-			-	-		1,757
Durban School For The Deaf	138			138	138	100.0%	130
Ekukhanyeni Clinic	163		(33)	130	130	100.0%	123
Elandskop Oblate Clinic	312			312	312	100.0%	300
Enkumane Clinic	187			187	187	100.0%	180
Fosa Hospital (Santa)	-			-	-		1,290

Fighting Poverty, Fighting Disease, Giving Hope

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 1 G (continued)

STATEMENT OF TRANSFERS AND SUBSIDIES TO NON-PROFIT INSTITUTIONS

NON PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2005/06
	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	261			261	261	100.0%	238
Happy Hour Durban North	139			139	139	100.0%	127
Happy Hour KwaXimba	131			131	131	100.0%	119
Happy Hour Mariannhill	139			139	139	100.0%	127
Happy Hour Mpumalanga	218			218	218	100.0%	198
Happy Hour Ninikhona	78			78	78	100.0%	71
Happy Hour Nyangwini	174			174	174	100.0%	158
Happy Hour Overport	87			87	87	100.0%	79
Happy Hour Phoenix	71		(1)	70	70	100.0%	63
Hlanganani Ngothando DCC	87		26	113	113	100.0%	103
Ikhwezi Cripple Care	950			950	950	100.0%	864
Ikhwezi Dns	119		1	120	120	100.0%	108
Jewel House	158			158	158	100.0%	144
Joan Tennant House	143			143	143	100.0%	130
John Peattie House	673			673	673	100.0%	612
Jona Vaughn Centre	1,624			1,624	1,624	100.0%	1,476
Lynn House	271			271	271	100.0%	246
Madeline Manor	832		(233)	599	599	100.0%	756
Masada Workshop	192			192	192	100.0%	174
Masibambeni Day Care Centre	105			105	105	100.0%	95
Matikwe Oblate Clinic	371		(33)	338	338	100.0%	320
McCords Hospital	44,838		633	45,471	45,471	100.0%	42,300
Mhlumayo Oblate Clinic	400			400	400	100.0%	360

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ANNEXURE 1 G (continued)

STATEMENT OF TRANSFERS AND SUBSIDIES TO NON-PROFIT INSTITUTIONS

NON PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2005/06
	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
Montebello Chronic Sick Home	3,302		76	3,378	3,378	100.0%	3,115
Mountain View Special Hospital	5,600		(8)	5,592	5,592	100.0%	4,315
Noyi Bazi Oblate Clinic	341		(15)	326	326	100.0%	307
Pongola Hospital	2,000		(278)	1,722	1,722	100.0%	1,580
Santa Motivators DC (21)	-			-	-		54
Santa Motivators DC (22)	-			-	-		64
Santa Motivators DC (23)	-			-	-		27
Santa Motivators DC (25)	-			-	-		50
Scadifa Centre	653			653	653	100.0%	594
Siloah Special Hospital	8,395		108	8,503	8,503	100.0%	7,200
Sparks Estate	911			911	911	100.0%	828
St. Lukes Home	376			376	376	100.0%	342
St. Mary's Hospital Marianhill	58,427		642	59,069	59,069	100.0%	56,120
Sunfield Home	99			99	99	100.0%	90
Umlazi Halfway House	171			171	171	100.0%	156
Phrenaid	71			71	71	100.0%	65
Rainbow Haven	277			277	277	100.0%	252

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ANNEXURE 1 G (continued)

STATEMENT OF TRANSFERS AND SUBSIDIES TO NON-PROFIT INSTITUTIONS

NON PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2005/06
	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)	-	-	-	-	-	-	26
SANTA Motivators eThekwini	-	-	-	-	-	-	29
Sibusisiwe Home	200	-	236	436	436	100.0%	396
HO Community Health Workers	-	-	-	-	-	-	5
Provincial Aids Action Unit	15,325	-	(2,766)	12,559	1,696	13.5%	5,634
District Service Delivery: Ugu (HIV/AIDA)	-	-	2,421	2,421	1,056	43.6%	-
District Service Delivery: Umgungundlovu (HIV/AIDA)	-	-	2,744	2,744	707	25.8%	-
District Service Delivery: Uthukela (HIV/AIDA)	-	-	2,099	2,099	362	17.2%	-
District Service Delivery: Umzinyathi (HIV/AIDA)	-	-	2,099	2,099	794	37.8%	-
District Service Delivery: Amajuba (HIV/AIDA)	-	-	1,453	1,453	145	10.0%	-
District Service Delivery: Zululand (HIV/AIDA)	-	-	2,421	2,421	492	20.3%	-
District Service Delivery: Umkhanyakhude (HIV/AIDA)	-	-	2,421	2,421	916	37.8%	-
District Service Delivery: Uthungulu (HIV/AIDA)	-	-	3,067	3,067	3,123	101.8%	-
District Service Delivery: Illembe (HIV/AIDA)	-	-	2,421	2,421	1,244	51.4%	-

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ANNEXURE 1 G (continued)

STATEMENT OF TRANSFERS AND SUBSIDIES TO NON-PROFIT INSTITUTIONS

NON PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2005/06
	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
District Service Delivery: Sisonke (HIV/AIDA)	-		2,099	2,099	504	24.0%	-
District Service Delivery: eThekwini (HIV/AIDA)	-		3,067	3,067	2,860	93.3%	-
St Aidans Hospital	-						196
Expenditure Control	-						(5)
Richmond Chest	-		15,412	15,412	15,412	100.0%	29,182
Philanjalo Hospice	1,052		(302)	750	787	104.9%	-
Ekhuhlangeni Sanatorium	-		19,854	19,854	19,854	100.0%	46,792
Earmarked for further negotiations	462		(424)	38			
	156,372	-	59,125	143,993	190,524		220,605
Total	156,372	-	59,225	144,093	190,624		220,605

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 1 H

STATEMENT OF TRANSFERS AND SUBSIDIES TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2005/06
	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	31,860			31,860	37,871	118.9%	33,465
Bursaries	46,475			46,475	23,754	51.1%	33,638
Acts of Grace							5
Claims against the state	10,174			10,174	4,154	40.8%	517
Medico Legal Claims							3,519
Donations and Gifts to Household					62		121
Total	88,509			88,509	65,841		71,265

**KWA-ZULU NATAL : DEPARTMENT OF HEALTH
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 1 I

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED FOR THE YEAR ENDED 31 MARCH 2007

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2006/07 R'000	2005/06 R'000
Received in kind			
Prior year donations			5,515
VW. South Africa	Donation of Jackets - EMRS	18	
Mrs N.P. Jona-Nciki	Donation of Prosthesis - Christ the King Hospital	25	
The Gideons International in South Africa	Donation of 800 New Testaments - IALCH	8	
Amalgamated Beverage Industries (ABI)	Donation of 5 cases X2L Coca Cola - IALCH	2	
Reservoir Hills Women's Circle	Donation of X2 Television Sets and 1 VCR - MG Mem. Hospital	2	
Sibaya Casino	Donation of a crisis centre to Mahatma Gandhi Memorial	1,403	
Addington Hosp. staff	Donation of a Samsung Microwave	1	
Addington staff donations	Donation of a Television and DVD Player	1	
Pfizer Laboratories (PTY) Ltd.	Donation : Cheque	9	
Struck by Lightning	Donation : 54 cm TV and a DVD player	3	
SB Productions	Donation : 2x walking rings, 3x baby bouncer seats, 1x TV signal booster and 4x childrens DVD's	1	
CI Systems	Donation : Soccer kit	3	
University of Amsterdam	Donation Eder-Peustow Oesophageal Dilator	3	
Mrs G Panaino	Donation : Hoover Tumble Drier	2	

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ANNEXURE 1 I (continued)

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED FOR THE YEAR ENDED 31 MARCH 2007

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2006/07 R'000	2005/06 R'000
Medical Students Overseas Relief Society	Donation : Acer Data Projector	8	
Groote Schuur Hospital	Donation : Hearing Aids	55	
Induna Catering (PTY) Ltd	Donation Braai Packs	2	
MediClinic	Donation : Pen-light torches	2	
Hospital Board	Donation : 74" LG colour TV	3	
Hospital Board	Donation : Educational Items	2	
Hospital Board	Donation: LG DVD Player	1	
Hospital Board	Sponsorship: 7 x Radiographers	9	
Student Representative Council University of Belfast in Ireland	Donation of a cheque	17	
Old Mutual Group Schemes, Durban	Logik 54cm television set	1	
Cape Quilters guild	16 Quilt cot blankets	6	
Dr T Govender	Microwave oven	1	
anonymous	cash donation of R5 000,00	5	
NGO Umdoni/Vulamehlo Association	Computers and software	25	
Addington hospital board	cash donation of R9 000,00	9	
East Coast Radio and Red Cross	various toys	1	
Italian Consulate	Fiat Palios x2	111	

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ANNEXURE 1 I (continued)

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED FOR THE YEAR ENDED 31 MARCH 2007

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2006/07 R'000	2005/06 R'000
Mr A Sheik	Row master exercise machine	1	
Associated Magazines, Edgars, Mrs P Maharaj, Regency Furniture, Mrs P Padayachee	Magazines, makeovers, gift hampers, weekend for 2, clock radio	2	
Old Mutual Group Schemes	Television Set	1	
Elizabeth Glaser Pediatric AIDS Foundation	Parkhomes x2	430	
Rydal Farm Staff	Television Set , Washing Machine & Tumble Dryer	7	
Canadian HIV Trials Network- Ottawa Hospital, Ontario	Donation of R117,000.00 to Edendale Hospital	117	
Department of Transport	Printing Machine	3	
Anonymous	Cash Donation of R500.00	1	
Dr A Wedderburn-Maxwell & Partners Inc.	CT Scanner	290	
Mr Rashid Suliman	Additional Cash Donation of R1000.00	1	
Total		2,592	5,515

Donations < R 1,000 are not denoted on the schedule due to the rounding off of amounts to the nearest R 1,000

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 1 J

STATEMENT OF LOCAL AND FOREIGN AID ASSISTANCE RECEIVED FOR THE YEAR ENDED 31 MARCH 2007

NAME OF DONOR	PURPOSE	OPENING BALANCE R'000	REVENUE R'000	EXPENDITURE R'000	CLOSING BALANCE R'000
Received in cash					
Local					
- Agouron A (Pfizer)	Drug trials	77	9	61	25
- Astra Zeneca (Astra Zeneca Pharm)	Drug trials	326		41	285
- Bristol-Myers Squibb	Management of HIV positive patients	501	308	725	84
- TB Global Fund	Strengthen provincial capacity for treatment and care of TB patients	-	778		778
- Dept Of Water Affairs & Forestry	Cholera epidermic	392			392
- HW Seta Learnership Mseleni/Mosvold	Learnership to Mseleni and Mosvold Hospital	115	203	138	180
- Canadian HIV Trials Network	HIV/ AIDS trails	-	301		301
- HW Seta Learnership St Aidans	Learnership to St Aidans Hospital	-	693	658	35
- HW Seta Learnership: Pharmacy	Learnership for the training of pharmacy assistants	-	201	80	121
- Pfizer Laboratories	Training of 3 nurses for oncology diploma	-	9	9	-
- Johnson & Johnson (Re-Dedication)	Rededication ceremony at Inkosi Albert Luthuli Hospital	5		3	2
- Rashid Suliman & Associates	To be used at the Institutions discretion	-	6		6
- Medtronic Africa	Advanced cardiology training	10		10	-
- Braun (Inkosi Albert Luthuli Central Hospital)	Still to be established	-	8		8
- Philips Medical Systems	Cardiology training	36		20	16
- Braun (Ngwlezana Hospital)	Still to be established	-	1		1
- Reproductive Health & Hiv Research Unit (Rhru)	Partitioning of ward for an ARV clinic	1		1	-
- Orthomedics (Inkosi Albert Luthuli Central Hospital)	Staff awards programme	-	1		1

Fighting Poverty, Fighting Disease, Giving Hope

KWA-ZULU NATAL : DEPARTMENT OF HEALTH
VOTE 7

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

ANNEXURE 1 J (continued)

STATEMENT OF LOCAL AND FOREIGN AID ASSISTANCE RECEIVED FOR THE YEAR ENDED 31 MARCH 2007

NAME OF DONOR	PURPOSE	OPENING BALANCE R'000	REVENUE R'000	EXPENDITURE R'000	CLOSING BALANCE R'000
- Synthes (Pty)Ltd	Orthopaedic clinic trials	18			18
- Zinc Study (Nu Health & Pfizer)	Drug trials	49		-3	52
Foreign					
- European Union Partnership	Partnership for delivery of PHC programme	1,072	12,816	14,047	(159)
- Belgium Technical Committee	HIV/ AIDS/ TB/ STI Prevention	585		1,027	(442)
- European Union :Systems Development		-			
Subtotal		3,187	15,334	16,817	1,704
Received in kind					
Foreign					
- GENEVA (Global Fund)	Enhancement of care for HIV/ AIDS patients	5,378	16,316	27,368	(5,674)
- Italian Funding			1,026	1,026	-
Subtotal		5,378	17,342	28,394	(5,674)
TOTAL		8,565	32,676	45,211	(3,970)

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KWA-ZULU NATAL : DEPARTMENT OF HEALTH
VOTE 7

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007

ANNEXURE 2 A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2007 – LOCAL

Guarantor Institution	Guarantee in respect of	Original Guaranteed capital amount	Opening Balance 1 April 2006	Guarantee drawdowns during the year	Guarantee repayments/ cancelled/ reduced/ released during the year	Currency Revaluations	Closing balance 31 March 2007	Realised losses not recoverable i.e. 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	-	-	969	-
Housing								
ABSA	Housing	12,692	12,692	257	1,417	-	11,532	-
BOE Bank Ltd	Housing	46	46	-	-	-	46	-
FirstRand Bank Ltd	Housing	14,264	14,264	220	1,875	-	12,609	-
Green Start Home Loans	Housing	45	45	-	-	-	45	-
ITHALA Limited	Housing	1,973	1,973	162	83	-	2,052	-
Nedbank Ltd	Housing	3,269	3,269	148	425	-	2,992	-
Old Mutual Bank	Housing	12,898	12,898	94	1,592	-	11,400	-
Peoples Bank Ltd	Housing	446	446	23	123	-	346	-

KWA-ZULU NATAL : DEPARTMENT OF HEALTH
VOTE 7

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

Guarantor Institution	Guarantee in respect of	Original Guaranteed capital amount	Opening Balance 1 April 2006	Guarantee drawdowns during the year	Guarantee repayments/ cancelled/ reduced/ released during the year	Currency Revaluations	Closing balance 31 March 2007	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
SA Home Loans	Housing	51	51	17	-	-	68	-
Standard Bank	Housing	7,092	7,092	102	1,004	-	6,190	-
Company Unique Finance	Housing	102	102	-	15	-	87	-
Total Housing Guarantee		52,878	52,878	1,023	6,534	-	47,367	-
GRAND TOTAL		53,847	53,847	1,023	6,534	-	48,336	-

KWA-ZULU NATAL : DEPARTMENT OF HEALTH
VOTE 7

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007

ANNEXURE 2 B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2007

Nature of Liability	Opening Balance 01/04/2006	Liabilities incurred during the year	Liabilities Paid/cancelled/reduced during the year	Liabilities Recoverable (Provide details hereunder)	Closing Balance 31/03/2007
	R'000	R'000	R'000	R'000	R'000
Claims against the department	179,356	16,176	5,558		189,974
Medico Legal	2,804	6,662	393		9,073
Claims against the State (Transport, Labour, Civil)					
TOTAL	182,160	22,838	5,951		199,047

KWA-ZULU NATAL : DEPARTMENT OF HEALTH
VOTE 7

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

ANNEXURE 3

INTER-GOVERNMENTAL RECEIVABLES

Government Entity	Confirmed balance		Unconfirmed balance		Total	
	31/03/2007	31/03/2006	31/03/2007	31/03/2006	31/03/2007	31/03/2006
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
Agriculture	34		33	27	67	27
Economic Development				16		16
Safety and Security				5		5
Social Welfare			597	214	597	214
Sports and Recreation				31		31
Provincial Treasury				3		3
Local Government and Traditional Affairs			284		284	
Education			110		110	
KZN Legislature			4		4	
KZNPA Library Services			10		10	
Transport			889		889	
Works			135		135	
Office of the Premier	714		60		774	
Royal Household	1				1	
Social Welfare – nutritional packs			27,604		27,604	
Independent Complaints Directorate			11		11	
Housing	30				30	
TOTAL	779	-	29,737	296	30,516	296

Fighting Poverty, Fighting Disease, Giving Hope

Annual Financial Statements for the Provincial Medical Supply Centre

**KWA-ZULU NATAL : DEPARTMENT OF HEALTH
VOTE 7**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

ANNEXURE 4

INTER – GOVERNMENTAL PAYABLES – CURRENT

GOVERNMENT ENTITY	Confirmed balance		Unconfirmed balance outstanding		TOTAL	
	31/03/2007	31/03/2006	31/03/2007	31/03/2006	31/03/2007	31/03/2006
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
South African Management Development Institute			806	263	806	263
Department of Transport			37,380	16,883	37,380	16,883
Department of Safety and Security				13	-	13
Department of Justice and Constitutional Development	184			406	184	406
Department of Works			87,150		87,150	
KZN – Office of the Premier	71				71	
KZN Department of Economic Development	53				53	
South African Police Services	2				2	
Department of Health: Pretoria			100		100	
Gauteng Department of Health	143				143	
Northern Cape Department of Health			27		27	
TOTAL	453	-	125,463	17,565	125,916	17.565
OTHER GOVERNMENT ENTITY						
Current						
National Health Laboratory Services	44	-	72	-	116	-
TOTAL	44	-	72	-	116	-

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007

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Statement of Changes in Equity	273
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**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2007**

**1. GENERAL REVIEW OF THE STATE
OF FINANCIAL AFFAIRS**

The 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 Medical Supply Centre has shown a trading surplus of R4,800m for the period ended 31 March 2007. This has mainly been due to the effect of increased trading activities resulting in an annual turnover of R 900,033m, being an increase of 11,2% over the prior year. Operating costs also increased by 12% for the same period, due mainly to increased inventory purchases, however savings of 6,5% in personnel and administrative expenditure contributed to decreasing the overall operating costs. Inventory purchase prices did not increase significantly during the period under review.

The main factors contributing to the increase in trading activities were:

- 1.1 The continually increasing distribution of inventories due to the ongoing ARV Project, which are charged directly to the Institutions.
- 1.2 The number of patients serviced 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 Provincial Medical Supply Centre is the only trading entity operating within the administration of the KwaZulu-Natal Department of Health. This entity is responsible for the procurement and delivery of pharmaceuticals as listed by National Health Pharmaceutical Services and Provincial Health Pharmaceutical Services. The pharmaceuticals are

procured from the suppliers and are then distributed to the various institutions as requested. Pharmaceuticals are charged at actual cost plus a mark-up of 4% to 12% to cover the administrative costs.

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

Surcharge of 12% -

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

3. Capacity constraints

- 3.1 The increasingly limited availability of warehousing has continued to contribute to capacity constraints.
- 3.2 Although the Manufacturing Laboratories have ceased operating in accordance with pharmacy regulations, the Pre Packing of medicines and tablets continues to be a part of ongoing operations.

4. PERFORMANCE INFORMATION

Listed below is a table containing performance and outcome targets of PMSC, for the year under review:

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2007**

Objective	Indicator	2006/2007 (Target)	2006/2007 (Actual)
Increase in standard stock account	Stock level	R 87.000 million	R 88.160 million
Adequate working capital to support adequate stockholding	Stock Turnover	R 750.000 million	R 900.033 million
Sufficient stock available at end user	Service Level	95%	98%

APPROVAL

The annual financial statements set out on pages 261 to 280 have been approved by the Accounting Officer.



Mrs H.G. Harding
Manager: Provincial Medical Supply Centre

31 August 2007

REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2007

REPORT OF THE AUDITOR-GENERAL TO THE KWAZULU-NATAL PROVINCIAL LEGISLATURE
ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF THE
KWAZULU-NATAL PROVINCIAL MEDICAL SUPPLY CENTRE FOR THE YEAR ENDED 31 MARCH
2007

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have *audited the* accompanying financial statements of the KwaZulu-Natal Provincial Medical Supply Centre which comprise the statement of financial position as at 31 March 2007, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 258 to 270.

Responsibility of the accounting officer for the financial statements

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

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing and General Notice 645 and 648 of 2007, issued in Government Gazette No. 29919 of 25 May 2007. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
6. An audit also includes evaluating the:
 - appropriateness of accounting policies used
 - reasonableness of accounting estimates made by management
 - overall presentation of the financial statements.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis of accounting

8. The KwaZulu-Natal Provincial Medical Supply Centre's policy is to prepare financial statements on the basis of accounting determined by the National Treasury, as set out in accounting policy 1 of the financial statements.

**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2007**

Opinion

9. In my opinion, the financial statements present fairly, in all material respects, the financial position of the KwaZulu-Natal Provincial Medical Supply Centre as at 31 March 2007 and its financial performance and cash flows for the year then ended, in accordance with the basis of accounting determined by the National Treasury, as set out in accounting policy 1 to the financial statements.

Emphasis of matter

Without qualifying my audit opinion, I draw attention to the following matter:

10. Basis of accounting (departures and deviations) The financial statements have not been drawn up in accordance with International Accounting Standards (IAS) with respect to IAS 16 "Property, plant and equipment". The entity has accounted for its assets, being property, plant and equipment at historical cost less accumulated depreciation and accumulated impairment losses and not at fair value less accumulated depreciation as required by IAS 16 as described in accounting policy note 4.

OTHER MATTERS

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

11. Delay in finalisation of audit

Due to the national public sector strike action during June 2007 the finalisation of the audit for the 2006-07 financial year was delayed until 31 August 2007.

OTHER REPORTING RESPONSIBILITIES

Reporting on performance information

12. I have audited the performance information as set out on page 2.

Responsibilities of the accounting officer

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

Responsibility of the Auditor-General

14. I conducted my engagement in accordance with section 13 of the Public Audit Act, 2004 (Act No. 25 of 2004) read with *General Notice 646 of 2007*, issued in *Government Gazette No. 29919 of 25 May 2007*.

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


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

Audit findings

17. No audit findings.

APPRECIATION

18. The assistance rendered by the staff of the KwaZulu-Natal Provincial Medical Supply Centre during the audit is sincerely appreciated.


H van Zyl for Auditor-General

Pietermaritzburg

31 August 2007



ACCOUNTING POLICIES
for the year ended 31 March 2007

1. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies and the disclosures made in the financial statements conform to Statements of Generally Accepted Accounting Practice and the Public Finance Management Act, Act 1 of 1999 as amended. 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 (R).

2.3 Rounding

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

2.4 Going Concern

The financial statements are prepared on the assumption that the entity is a going concern and will continue in operation for the foreseeable future.

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 and any accumulated impairment losses.

Depreciation is charged so as to write off the depreciable amount of the asset 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%

The depreciable amount of the asset is the cost of an asset or other amount substituted for cost less its residual value.

5. IMPAIRMENT OF ASSETS

At each balance sheet date, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount for an individual asset, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

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

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another standard, in which case the reversal of the impairment loss is treated as a

ACCOUNTING POLICIES
for the year ended 31 March 2007

revaluation increase under that other standard.

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.

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 of uncertain timing or amount, 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

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 entity or 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 have been disclosed as a note to the annual financial statements.

9. EMPLOYEE BENEFITS

Post-employee benefits

Retirement

The entity provides a defined benefit fund for the benefit of its employees, which is the Government Employee's 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.

ACCOUNTING POLICIES
for the year ended 31 March 2007

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
- 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 Provincial Medical Supply Centre for the procurement of pharmaceuticals.

12. CHANGES IN ACCOUNTING

ESTIMATES AND ERRORS

When a new Standard or Interpretation that has been issued but is not yet effective, has been applied the following shall be disclosed:

- (a) this fact; and
- (b) known or reasonably estimable information relevant to assessing the possible impact that application of the new Standard or Interpretation will have on the financial statements in the period of initial application.

13. CASH FLOW STATEMENT

The cash flow statement is prepared in terms of the direct method and discloses the effect that operating activities, investing activities and financing activities have on the movement of cash and cash equivalents during the year.

- **Operating Activities** are primarily derived from the revenue producing or primary operating activities of the entity.
- **Investing Activities** are the acquisition and disposal of long-term assets and other investments not included in cash equivalents.
- **Financing Activities** are activities that result in changes in the size and composition of the contributed capital and borrowings of the entity.

14. RELATED PARTY AND RELATED PARTY TRANSACTIONS

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

BALANCE SHEET
as at 31 March 2007

	Note	2006/07 R'000	(Restated) 2005/06 R'000
ASSETS			
Non-current assets			
Property, plant and equipment	7	725	747
Current assets			
Inventory	8	78,508	44,080
Loans and receivables	9	34,809	33,149
		114,042	77,976
EQUITY			
Capital and Reserves	10	92,960	69,047
Total Equity		92,960	69,047
LIABILITIES			
Non-current liabilities			
Provisions	11	1,661	956
Current Liabilities			
Trade and other payments	12	19,421	7,973
Total Liabilities		21,082	8,929
Total equity and liabilities		114,042	77,976

INCOME STATEMENT
For the year ended 31 March 2007

	Note	2006/07 R'000	(Restated) 2005/06 R'000
REVENUE			
Sale of goods	1	900,033	806,479
Other income	2	-	2,483
TOTAL REVENUE		<u>900,033</u>	<u>808,962</u>
EXPENDITURE			
Cost of Sales	3	(873,365)	(775,638)
Other expenditure		(21,868)	(22,877)
Administrative Expenses	4	(3,305)	(5,143)
Staff Costs	5	(17,132)	(15,992)
Other operating expenses	6	(1,431)	(1,742)
TOTAL EXPENDITURE		<u>(895,233)</u>	<u>(798,515)</u>
NET SURPLUS FOR THE YEAR		<u>4,800</u>	<u>10,447</u>

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2007

	Accumulated Surplus/ (Deficit)	Capitalisation Reserves	Total Equity
	R'000	R'000	R'000
Balance as at 1 April 2005 as originally stated	984	51,000	51,984
- Correction of prior period error	(810)	-	(810)
As restated	174	51,000	51,174
Surplus for the year	10,447	-	10,447
Transfers to/ (from) reserves	(984)	7,600	6,616
Transfers to/ (from) reserves restated for prior period error	810	-	810
Balance as at 31 March 2006	10,447	58,600	69,047
- Change in accounting policy	-	-	-
As restated	10,447	58,600	69,047
Surplus for the year	4,800	-	4,800
Transfers to/ (from) reserves	(10,447)	29,560	19,113
Balance as at 31 March 2007	4,800	88,160	92,960

CASH FLOW STATEMENT
for the year ended 31 March 2007

	Note	2006/07 R'000	2005/06 R'000
Cash flows from operating activities			
Cash paid to suppliers & employees	13	(18,777)	(6,395)
Net cash outflows from operating activities		<u>(18,777)</u>	<u>(6,395)</u>
Cash flows from investing activities			
Acquisition of Property, Plant and Equipment	14	(310)	(221)
Net cash outflows from investing activities		<u>(310)</u>	<u>(221)</u>
Cash flows from financing activities			
Increase in Reserves		19,087	7,600
Restatement due to change in accounting policy		-	(984)
Net cash flows from financing activities	15	<u>19,087</u>	<u>6,616</u>
Net increase in cash and cash equivalents		-	-
Cash and bank balances at the beginning of the year		-	-
Cash and bank balances at the end of the year		<u>-</u>	<u>-</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007

	2006/07 R'000	2005/06 R'000
1. Sales of Goods		
Provincial Departments	900,028	806,472
Other	5	7
	<u>900,033</u>	<u>806,479</u>
2. Other Income		
Reversal of inventory write-down	-	2,483
	<u>-</u>	<u>2,483</u>
3. Cost of Sales		
Opening inventory	44,080	60,320
Purchases	907,793	759,398
	<u>951,873</u>	<u>819,718</u>
Less Closing Inventory	(78,508)	(44,080)
	<u>873,365</u>	<u>775,638</u>
4. Administration Expenses		
General administrative expenses	2,720	4,567
Stationery and printing	560	570
Bank charges	5	6
Training and staff development	20	-
	<u>3,305</u>	<u>5,143</u>
5. Staff Costs		
Wages and Salaries		
- Basic salaries	9,851	9,485
- Periodic payments	1,561	1,758
- Overtime pay	1,442	1,391
	<u>12,854</u>	<u>12,634</u>
Social contributions (Employer's contributions)		
- Medical	693	613
- UIF	4	4
- Other salary related costs	4	3
	<u>701</u>	<u>620</u>
Defined Pension benefit plan expense		
- Current service cost	1,289	1,233
Other long-term employee benefits including long-service leave, profit sharing, deferred compensation	2,288	1,505
	<u>17,132</u>	<u>15,992</u>

The Accounting Officer of the Department of Health has appointed the Manager of the Provincial Medical Supply Centre as the Accounting Officer.

During the 2006/2007 financial year, the Manager received a basic salary package of R353, 559 per annum.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007

	2006/07 R'000	2005/06 R'000
6. Other operating expenses		
Maintenance, repairs and running costs	818	1171
- Property and buildings	199	161
- Other maintenance, repairs and running costs	619	1,010
Depreciation	332	295
- Assets carried at cost	332	295
- Assets carried at re-valued amounts	-	-
Consumables	169	140
Municipal Services	12	46
Travel and Subsistence	100	90
	1,431	1,742
7. Property, plant and equipment		
Vehicles		
Opening net carrying amount	57	122
- Gross carrying amount	258	258
- Accumulated depreciation	(201)	(136)
Depreciation charge	(57)	(65)
Closing net carrying amount - 31 March	-	57
- Gross carrying amount	258	258
- Accumulated depreciation	(258)	201
Computer equipment		
Opening net carrying amount	82	2
- Gross carrying amount	629	509
- Accumulated depreciation	(547)	(507)
Additions	200	120
Depreciation charge	(72)	(40)
Closing net carrying amount - 31 March	210	82
- Gross carrying amount	829	629
- Accumulated depreciation	(619)	(547)
Office furniture and fittings		
Opening net carrying amount	351	367
- Gross carrying amount	639	549
- Accumulated depreciation	(288)	(182)
Additions	23	90
Depreciation charge	(107)	(106)
Closing net carrying amount - 31 March	267	351
- Gross carrying amount	662	639
- Accumulated depreciation	(395)	(288)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007

	2006/07 R'000	2005/06 R'000
7. Property, plant and equipment - (continued)		
Other machinery and equipment		
Opening net carrying amount	257	331
- Gross carrying amount	503	493
- Accumulated depreciation	(246)	(162)
Additions	87	10
Depreciation charge	(96)	(84)
Closing net carrying amount - 31 March	248	257
- Gross carrying amount	590	503
- Accumulated depreciation	(342)	(246)
Total property, plant and equipment		
Opening net carrying amount	747	822
- Gross carrying amount	2,029	1,809
- Accumulated depreciation	(1,282)	(987)
Additions	310	220
Depreciation charge	(332)	(295)
Closing net carrying amount - 31 March	725	747
- Gross carrying amount	2,339	2,029
- Accumulated depreciation	(1,614)	(1,282)
8. Inventory		
Pre-Packs	1,418	423
CMT	-	5
Finished goods	77,090	43,652
	78,508	44,080
9. Loans and receivables		
Current		
Trade receivables	24,392	-
Other receivables	10,417	33,149
	34,809	33,149
10. Capital and reserves		
Accumulated surplus		
Balance at the beginning of the year		
- as originally stated	10,473	984
- correction of prior period error	-	(810)
As restated	10,473	174
Surplus for the year – restated	4,800	10,447
- as originally stated	4,800	10,473

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007

	2006/07 R'000	2005/06 R'000
- adjustment due to correction of prior period error	-	(26)
10. Capital and reserves – (continued)		
Transfers – restated	(10,447)	(174)
- as originally stated	(10,447)	(984)
- adjustment due to correction of prior period error	-	810
Balance at 31 March	4,800	10,447
Reserves		
Balance at the beginning of the year	58,600	51,000
Transfers	29,560	7,600
Balance at 31 March	88,160	58,600
Total Equity		
Balance at the beginning of the year		
- as originally stated	69,047	51,984
- correction of prior period error	-	(810)
As restated	69,047	51,174
Surplus for the year – restated	4,800	10,447
- as originally stated	4,800	10,473
- adjustment due to correction of prior period error	-	(26)
Transfers	19,113	7,426
- as originally stated	19,113	6,616
- adjustment due to correction of prior period error	-	810
Balance at 31 March – restated	92,960	69,047
11. Provisions		
Salary and related expense provision		
Opening balance		
- as originally stated	956	33
- correction of prior period error	-	810
As restated	956	843
Provisions made during the year	705	113
- as originally stated	705	87
- adjustment due to correction of prior period error	-	26
Closing balance – restated	1,661	956

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007

	2006/07 R'000	2005/06 R'000
12. Trade and other payables		
Trade creditors	17,676	6,610
Accruals	1,743	1,361
Other payables	2	2
	<u>19,421</u>	<u>7,973</u>
13. Reconciliation of profit before taxation to cash generated from/(utilised in) operations		
Surplus/(deficit) before taxation	4,800	10,447
Adjusted for non-cash movements/ working capital changes:	(23,577)	(16,842)
- Depreciation on property, plant and equipment	332	295
- Increase/(decrease) in provisions	706	113
- (Increase)/ decrease in inventories	(34,428)	16,240
- (Increase) in receivables	(1,660)	(16,489)
- Increase/ (Decrease) in payables	11,448	(17,811)
- Correction of prior period error	25	810
	<u>(18,777)</u>	<u>(6,395)</u>
Cash generated from operations		
14. Cash flows from investing activities		
Purchase of Property, Plant and Equipment	<u>(310)</u>	<u>(221)</u>
15. Cash flows from financing activities		
Increase in reserves	19,087	7,600
Restatement due to change in accounting policy	-	(984)
	<u>19,087</u>	<u>6,616</u>
16. Contingent Liabilities		
Housing Guarantees	<u>70</u>	<u>70</u>
19. Impairment of Assets		
The entity did not have any impairment of assets during the 2006/2007 financial year. As a result no impairment losses were recognised in the income statement.		
20. 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 of the Tax Authorities media statement dated 27 September 1991, which was subsequently confirmed by value-added tax directive dated 21 January 2003.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007

	2006/07	2005/06
	R'000	R'000

21. Prior Period Error

During the prior periods capped leave outstanding at year-end was incorrectly disclosed as a contingent liability, instead of being recognised as a provision. The comparative statements for 2005/ 2006 have been restated. The effect of the change in 2005/ 2006 is tabulated below. The opening balance relating to provisions have been increased by R810,000, which is the amount of the adjustment relating to periods prior to the 2005/ 2006 financial year.

Decrease in Accumulated Surplus for the year	-	26
Restatement of Accumulated Surplus		
Accumulated surplus as originally stated	-	10,473
Correction of prior period error	-	(26)
	-	10,447

22. Related Party and Related Party Transactions

The Provincial Medical Supply Centre is the only trading entity operating within the administration of the KwaZulu-Natal Department of Health. This entity is responsible for the procurement and delivery of pharmaceuticals as listed by National Health Pharmaceutical Services and Provincial Health Pharmaceutical Services. The pharmaceuticals are procured from the suppliers and are then distributed to the various institutions as requested. Pharmaceuticals are charged at actual cost plus a mark-up of 4% to 12% to cover the administrative costs. Further details in this regard is provided in the Accounting Officer's report.

The movement in balances and funds between the Provincial Medical Supply Centre and the Department is included in the above notes to the annual financial statements.

**Annual Report 2006/07
Part D**



Abbreviation	Meaning
ABET	Adult Basic Education and Training.
AEFI	Adverse Events Following Immunisation.
AeroMED	Aero Medical
AFP	Acute Flaccid Paralysis.
ALS	Advanced Life Support.
AIDS	Acquired Immune Deficiency Syndrome.
ANC	Anti-Natal Classes.
ARV	Anti-retroviral.
ART	Anti-retroviral Therapy.
ASGI-SA	Accelerated and Shared Growth Initiative of Government.
BBBEE	Broad Based Black Economic Empowerment.
BEE	Black Economic Empowerment.
BFHI	Baby Friendly Hospital Initiative.
BLS	Basic Life Support.
COHSASA	Council for Health Service Accreditation of Southern Africa.
CDC	Communicable Disease Control.
CHC	Community Health Center.
CPD	Continuous Professional Development
CPSS	Central Pharmaceutical Supply Store.
CHW	Community Health Worker.
CSA	Control Self Assessment
DOTs	Directly Observed Treatment Short Course.
DMER	District Health Expenditure Report.
DHPs	District Health Plans.
DHIS	District Health Information System.
DHS	District Health System.
DTP	Diphtheria, Tetanus and Pertussis.
DUT	Durban University of Technology.
ECP	Emergency Care Practitioner.
EDL	Essential Drug List.
EAP	Employee Assistance Programme.
EH	Environmental Health
EMRS	Emergency Medical Rescue Services.
EN to RN	Enrolled Nurse to Registered Nurse.
ENA to EN	Enrolled Nurse Assistant to Enrolled Nurse.
ESV	Emergency Service Vehicle.
EPT	Emergency Patient Transport.
FIO	Facilities Information Officer.
GDP	Growth Domestic Product.
HIV	Human Immuno-virus.
HOD	Head of Department.
HRSC	Human Sciences Research Council of South Africa.
HP	Health Promotion.
HPH	Health Promoting Hospitals.

**Annual Report 2006/07
Part D**



Abbreviation	Meaning
HPSP	Health Promoting Schools Programme.
HTAs	High Transmission Areas.
HPV	Human Papilloma Virus.
HWSETA	Health and Welfare Sectoral Educational Training Authority.
IALCH	Inkosi Albert Luthuli Central Hospital.
IDT	Independent Development Trust.
IDP	Inter-Departmental Plan.
IDDP	International Day of Disabled Persons
IEC	Information, Education and Communication.
IGR	Inter-Governmental Relations.
ILS	Intermediate Life Support.
IMCI	Integrated Management of Childhood Illnesses.
IMS	Incident Management Systems.
INDS	Integrated National Disability Strategy.
INP	Integrated Nutrition Programme Business Plan.
IT	Information Technology.
ILS	Intermediate Life Support.
KMC	Kangaroo Mother Care.
KZN	KwaZulu-Natal
MDR TB	Multi-drug resistant Tuberculosis.
MEC	Member of the Executive Council.
MHS	Municipal Health Service
MICU	Medical Intensive Care Unit.
MLW	Mid Level Worker.
MIS	Management Information System.
MRC	Medical Research Council.
MSP	Master Systems Plan.
MTEF	Medium Term Expenditure Framework.
M and E	Monitoring and Evaluation.
NEPAD	New Economic Partnership for African Development.
NGOs	Non Governmental Organisations.
NICU	Neo Natal Intensive Care Unit.
NTCP	National Tuberculosis Control Programme.
NHLS	National Health Laboratory Services.
NHS	National Health System.
OHSA	Occupational Health and Safety Act.
PBECPP	Professional Board for Emergency Care Personnel.
PEP	Post Exposure Prophylaxis.
PHAST	Participatory and Sanitation Transformation.
PHC	Primary Health Care.
PMO's	Principal Medical Officers.
PMDS	Performance Management and Development System.
PMSC	Provincial Medical Supply Centre.
PMTCT	Prevention of Mother to Child Transmission.

**Annual Report 2006/07
Part D**



Abbreviation	Meaning
PIIP	Peri-natal Problem Identification Programme.
PPT	Planned Patient Transport.
PWD	Person with Disabilities.
SADC	Southern African Development Co-operation.
SAPS	South African Police Service.
SCM	Supply Chain Management.
SITA	State Information Technology Agency
SMMEs	Small Medium and Micro Enterprises.
SMS	Senior Management Service.
SOP	Standard Operating Procedures.
STATS SA	Statistics South Africa.
STI	Sexually Transmitted Diseases.
STP	Service Transformation Plan.
TB	Tuberculosis.
TOP	Termination of Pregnancy.
UKZN	University of KwaZulu-Natal
VCT	Voluntary Counseling and Testing.
VPN	Virtual Private Network
WHO	World Health Organisation.
WOE	Women Owned Enterprises.
XDR TB	Extreme Drug Resistant Tuberculosis.