health
Department:
Health
PROVINCE OF KWAZULU-NATAL

2016/17
ANNUAL REPORT
VOTE 7

FIGHTING DISEASE, FIGHTING POVERTY, GIVING HOPE

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SUBMITTING THE 2016/17 ANNUAL REPORT (VOTE 7) TO THE EXECUTIVE AUTHORITY

Dr S.M. Dhlomo

MEC for Health

KwaZulu-Natal Department of Health

In accordance with section 40(1)(d) of the Public Finance Management Act, 1999; the Public Service Act, 1994 (as amended); and the National Treasury Regulations, I have the honour of submitting the KwaZulu-Natal Department of Health Annual Report for the period 1 April 2016 to 31 March 2017.

Dr ST Mtshali

Accounting Officer

KwaZulu-Natal Department of Health

Date:

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DEPARTMENT'S GENERAL INFORMATION

Department: **KwaZulu-Natal Department of Health**

Website: http://www.kznhealth.gov.za

Head Office: Natalia

Physical Address: 330 Langalibalele Street (previously Longmarket)

Pietermaritzburg

3201

Postal Address: Private Bag X9051

Pietermaritzburg

3200

Telephone: 033 – 395 2111 (switchboard)

Head Office: 191 Peter Kerchhoff Street

Physical Address: 191 Peter Kerchhoff Street (previously Chapel Street)

Pietermaritzburg

3201

Postal Address: Private Bag X9051

Pietermaritzburg

3200

Telephone: 033 – 341 7000 (switchboard)

Head Office: Capital Towers

Physical Address: 121 Chief Albert Luthuli Street (previously Commercial Road)

Pietermaritzburg

3201

Postal Address: Private Bag X9051

Pietermaritzburg

3200

Telephone: 033 – 846 7000 (switchboard)

ABBREVIATIONS

Abbreviation	Description
A	
AIDS	Acquired Immune Deficiency Syndrome
AIP	Annual Implementation Plan
ALOS	Average Length of Stay
ALS	Advanced Life Support
AMS	Air Mercy Services
ANC	Antenatal Care
APP	Annual Performance Plan
ART	Anti-Retroviral Therapy
ASELPH	Albertina Sisulu Executive and Leadership Programme for Health
ASSA	AIDS Committee of Actuarial Society of South Africa
B	
BAS	Basic Accounting System
BLS	Basic Life Support
C	
CCG(s)	Community Care Giver(s)
CCMA	Commission for Conciliation, Mediation and Arbitration
CCMDD	Centralised Chronic Medicine Dispensing and Distribution
CDC	Communicable Disease Control
CEO(s)	Chief Executive Officer(s)
CHC(s)	Community Health Centre(s)
COE	Compensation of Employees
CoMMIC	Committee on Morbidity and Mortality in Children under 5
CSS	Client Satisfaction Survey
CTOP	Choice on Termination of Pregnancy
D	
DCST(s)	District Clinical Specialist Team(s)
DDG	Deputy Director General
DHIS	District Health Information System
DHS	District Health System
DOPW	Department of Public Works
DPC	Disease Prevention and Control
DPME	Department Planning Monitoring and Evaluation
DR-TB	Drug Resistant Tuberculosis
DUT	Durban University of Technology
E	

Abbreviation	Description
ECD	Early Child Development
ECP	Emergency Care Practitioner
ECT	Emergency Care Technician
EML	Essential Medicines List
EMS	Emergency Medical Services
EMS P1 Calls	Emergency Medical Services Priority 1 Calls
EPWP	Expanded Public Works Programme
ESMOE	Essential Steps in Management of Obstetric Emergencies
ETR.Net	Electronic Register for TB
F, G, H	
FPS	Forensic Pathology Services
GHS	General Household Survey
HCSS	Health Care Support Services
HIV	Human Immuno Virus
HPV	Human Papilloma Virus
HRD	Human Resource Development
HTA's	High Transmission Areas
HWSETA	Health and Welfare Sector Education and Training Authority
I	
IA(s)	Implementing Agent(s)
IALCH	Inkosi Albert Luthuli Central Hospital
ICRM	Ideal Clinic Realisation and Maintenance
ICT	Information Communication Technology
IDT	Independent Development Trust
IDMS	Infrastructure Delivery Management Programme
ILS	Intermediate Life Support
IMCI	Integrated Management of Childhood Illnesses
IMLCs	Institutional Management and Labour Committees
IPC	Infection Prevention and Control
IPMP	Infrastructure Programme Management Plan
IPT	Ionized Preventive Therapy
IT	Information Technology
K, L	
KZN	KwaZulu-Natal
KZNCN	KwaZulu-Natal College of Nursing
LG	Local Government
M	

Abbreviation	Description
ManCo	Management Committee
M&E	Monitoring and Evaluation
MDR-TB	Multi Drug Resistant Tuberculosis
MEC	Member of the Executive Council
MMC	Medical Male Circumcision
MMR	Maternal Mortality Rate
MNC&WH	Maternal, Neonatal, Child & Women's Health
MOP	Medical Ortho Prosthetics
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
N	
NCS	National Core Standards
NCD(s)	Non-Communicable Disease(s)
NDP	National Development Plan
NGO(s)	Non-Governmental Organisation(s)
NHI	National Health Insurance
NIDS	National Information Data Set
NIMART	Nurse Initiated and Managed Antiretroviral Therapy
NSDA	Negotiated Service Delivery Agreement
O	
OES	Occupation Efficiency Service
OHH	Outreach Households
OPD	Out-Patient Department
OSS	Operation Sukuma Sakhe
OTP	Office of the Premier
P	
PA(s)	Performance Agreement(s)
PCR	Polymerase Chain Reaction
PDE	Patient Day Equivalent
PEMP	Poverty Eradication Master Plan
PERSAL	Personnel and Salaries System
PGDP	Provincial Growth and Development Plan
PHC	Primary Health Care
PHSDSBC	Public Health and Social Development Sectoral Bargaining Council
PIA	Provincial Implementing Agents
PIDS	Provincial Indicator Data Set
PMDS	Performance Management and Development System

Abbreviation	Description
PMPU	Provincial Medicine Procurement Unit
PMTCT	Prevention of Mother to Child Transmission
PN	Professional Nurse
PPSD	Provincial Pharmaceutical Supply Depot
PPT	Planned Patient Transport
PTB	Pulmonary Tuberculosis
PTS	Patient Transport Services
Q, R, S	
QIP(s)	Quality Improvement Plan(s)
SA	South Africa
SANHANES	South African National Health and Nutrition Survey
SANTA	South African National Tuberculosis Association
SCM	Supply Chain Management
SDIP	Service Delivery Improvement Plan
SHS	School Health Services
SOP(s)	Standard Operating Procedure(s)
Stats SA	Statistics South Africa
STG	Standard Treatment Guidelines
STI(s)	Sexually Transmitted Infection(s)
T	
TB	Tuberculosis
TVET	Technical Vocational Education and Training
U	
UKZN	University of KwaZulu-Natal
U-AMP	User–Asset Management Plan
UTT	Universal Test and Treat
V, W, X	
VHF	Viral Haemorrhagic Fevers
WBOT(s)	Ward Based Outreach Team(s)
WHO	World Health Organisation
WISN	Workload Indicators of Staffing Need
XDR-TB	Extreme Drug Resistant Tuberculosis

FOREWORD BY THE MEC FOR HEALTH

The 2016/17 Annual Report provides an overview of Departmental performance and achievements, and reflects on the limitations and constraints that affected performance during the reporting year. The year under review has been marked with unprecedented demands on the health care system, fuelled by the quadruple burden of disease and severe resource constraints (including inadequate human resources) that continued to stretch the health system and staff beyond its limits. The ability to effectively respond to rising service pressures became increasingly constrained as a result of the shrinking fiscal envelope.

In spite of these challenges, the Department registered considerable levels of success in reducing the burden of disease. The significant reductions in infant, child and maternal mortalities are specifically noted as it is in line with the National Development Plan goals. Since the beginning of the current cycle (2014/15), maternal deaths in facilities decreased with 24.6%; inpatient deaths under-1 year with 25.4%; inpatient deaths under-5 years with 30.5%; and neonatal inpatient deaths with 34.5%.

We are pleased that implementation of strategies to reduce HIV, AIDS and TB, including implementation of the 90-90-90 strategy, are gaining significant traction in the Province. Since 2014/15, the number of people remaining on ART increased with 24.2% (it remaining the biggest ART programme in the country); just short of 10 million people have been screened for HIV; the number of infants testing positive for HIV decreased with 52.5%; nearly 6.5 million people were screened for TB; TB deaths decreased with 55.9%; and new confirmed TB cases decreased with 36.9%.

More work still needs to be done to reduce the significant burden of Non-Communicable Diseases, and implementation of the 90-90-90 strategy for Non-Communicable Diseases and the Mental Health Strategy have been prioritised and will be closely monitored.

During the coming MTEF, the Department will vigorously pursue intensified strategies to improve health system effectiveness and audit outcomes, improve financial management; supply chain efficiencies, reduce medico-legal risks and improve management of litigation, work towards a sustainable solution to decrease the gap between supply and demand for human resources for health, and continue to improve on high quality services and improved access to services at all levels of care.

My sincere appreciation goes to the personnel, management and stakeholders who have worked under severe pressure during the year under review. In spite of many controversies, service pressures and inadequate resources, staff remained devoted to service delivery, which demonstrates the character of our service providers. I have no doubt that together we will be able to do more with less – all to the benefit of our citizens in KwaZulu-Natal.

I hereby table the 2016/17 Annual Report.

Dr SM Dhlomo
MEC for Health: KwaZulu-Natal Department of Health
Date:

REPORT OF THE ACCOUNTING OFFICER

Departmental Overview

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

The 2016/17 financial year mark the second year of the new 5 years strategic planning cycle and implementation of the 2015-2019 Strategic Plan that is aligned with the National Development Plan (NDP) 2030, the Medium Term Strategic Framework (MTSF) 2014-2019, the Provincial Growth and Development Plan (PGDP) 2035, legislative and policy mandates, and the burden of disease that determines the needs and demands for service delivery in the Province.

In 2016/17 the Department focussed on the strengthening of health systems and processes to serve as enabling mechanisms for implementation of quality health care services. Improved health outcomes through inter-sectoral collaboration contributed to the increased life expectancy of 58.7 years for females and 54 years for males (2016 Mid-Year Estimates, Statistics South Africa).

Details of the actual performance of the Department during 2016/17 are included in the body of the Annual Report. The Provincial public health system in 2016/17:

- Managed 29 200 948 patients at PHC level, with 4 947 149 of these patients under the age of 5 years.
- Managed 5 517 205 referred and 722 288 unreferred patients at outpatient departments at hospitals.
- Registered 651 894 households through community-based outreach services; and registered 619 020 patients for community-based distribution of chronic medication distributed through 2 069 distribution points at community level.
- 56.3% PHC clinics scored more than 70% against the Ideal Clinic standards including 22 platinum status (90%-100%), 180 gold status (80%-89%), and 104 silver status (70%-79%).
- Screened 10 537 695 people for hypertension, 10 214 520 for diabetes and 6 550 458 for mental disorders.
- Decreased maternal deaths from 223 to 190 (maternal mortality ratio of 106.7 per 100 000 live births).
- Had a mother to child HIV transmission rate of 1.1%.
- Reduced new cases of severe acute malnutrition under 5 years from 6 136 to 5 192.
- Decreased inpatient deaths under 1 year from 3 381 to 2 838, and inpatient deaths under 5 years from 4 009 to 3 326.
- Immunised 189 516 children under 1 year.
- Tested 3 167 664 patients for HIV; performed 784 712 medical male circumcisions to date (122 132 in 2016/17); and had 1 234 068 patients remaining on ART, of which 52 377 were children under 15 years.
- Screened 18 747 611 people for TB; had a TB treatment success rate of 88.7%; and reduced the number of patients that died during treatment from 772 to 561.

Enabling Systems

The Department had 69 924 filled posts with a total vacancy rate of 11.6% as at 31 March 2017. The filling of critical vacant posts had been delayed due to the budget constraints especially the Compensation of Employees allocation. Recruiting and retaining of skilled professionals in certain clinical categories, in especially more rural areas, remained a serious challenge during the year under review.

To increase the pool of Medical Officers, the Department continued to support programmes with the potential to contribute to an increased number of Medical Officer that can be absorbed in the public health domain. A total of 997 medical students had been financially supported including 269 students at local universities and 728 in the Cuban Programme. The first phase of the "Decentralised Training in a PHC Model" commenced in the last quarter of 2015/16 and was marginally expanded during 2016/17. Implementation of this Model is a first in the country.

A total of 3 040 nursing students have been in training in Nursing Colleges in KZN. Of these students, 2 596 was enrolled for basic programmes; 271 in advanced specialist programmes; and 173 in the Primary Health Care Diploma course which is offered in partnership with the University of KwaZulu-Natal.

The revitalisation of infrastructure continues to play a vital role in improving the service delivery platform. Although a number of infrastructure projects, especially the construction of new facilities, were put on hold due to budget constraints, a number of major projects were completed. Construction on the new Pixley ka Isaka Seme Regional Hospital commenced at an estimated total cost of R 2.8 billion. The major projects that were completed in the period under review included:

- Edendale Hospital: Alterations and additions to the Accident & Emergency Unit and OPD, conversion from steam to electrical, and provision of seven air handling units.
- KZN Central Laundry: Completion of Works.
- Madadeni Hospital (Amajuba Maintenance Programme): Various buildings including electrical installation.
- King Edward VIII Hospital: Renovations to the family clinic, psychiatric ward, kitchens, and conversion of theatre block into Social Welfare and Occupational Therapy, and emergency vehicle canopy.
- Usuthu clinic: Construction of medium replacement clinic.
- Inanda C clinic: Additions and alterations to the administration block.
- Port Shepstone Hospital: Multi core block completion contract.
- Natalia Building: Replaced the MV switchgear and associated transformers.

With regard to implementation of the financial management turnaround strategy, the Department was able to put in place financial management strategies to improve the significant unauthorised expenditure to an acceptable level and continues to do so. The Department is also embarking on implementation of an improved Asset Management System as well as automated Supply Chain Management System, which is expected to improve efficiencies.

Financial Performance

Table 1: Departmental Receipts

Departmental Receipts	2016/2017			2015/2016		
	Estimate	Actual Amount Collected	(Over)/ Under Collection	Estimate	Actual Amount Collected	(Over)/ Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Tax Receipts						
Sale of goods and services other than capital assets	255 372	256 922	-1 550	231 538	213 371	18 167
Fines, penalties and forfeits	21	36	-15	21	54	(33)
Interest, dividends and rent on land	135	3 316	-3 181	217	51	166
Sale of capital assets	12 000	970	11 030	10 000	0	10 000
Financial transactions in assets and liabilities	16 182	36 860	-20 678	16 182	30 118	-13 936
Total	**283 710**	**298 104**	**-14 394**	**257 958**	**243 594**	**14 004**

The Department generates its revenue mainly from patients' fees which includes claims from medical aid for services rendered, Road Accident Fund for the treatment of road accident patients, and other health services rendered through public health services to patients and other departments. Revenue has also been generated from the use of Departmental facilities and accommodation by other departments including revenue for boarding and parking fees.

During the 2 previous financial years, the Department noted substantial over-collection against sale of goods and services through concerted effort to ensure revenue recoveries and provision of training to institutions. The set revenue target was over collected by R 14.394 million, the 2016/17 budget revenue collection was R283.710 million and the actual revenue collected was R 298.104 million.

Tariff Policy

The main source of revenue for the Department, over and above the voted amount, is patient fees which are charged using the Uniform Patient Fee Schedule as prescribed and reviewed annually by the National Department of Health. Boarding fee is treated as part of the housing allowance which is negotiated at the Bargaining Council.

Free Services

Free services rendered by the Department are in line with the Uniform Patient Fee Schedule and includes PHC services at clinics and Community Health Centres, services for old age pensioners, children under the age of six years, and pregnant women who are not members of a medical aid.

Table 2: Programme Expenditure

Programme Name	2016/2017			2015/2016		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration						
Current payment	682 196	683 440	-1 244	647 148	721 167	-74 019
Transfers and subsidies	6 213	17 443	-11 230	6 651	5 689	962
Payment for capital assets	49 658	257	49 401	10 850	12 158	-1 308
Payment for financial assets	107 607	144 534	-36 927	107 607	107 608	-1
Total	**845 674**	**845 674**	**0**	**772 256**	**846 622**	**-74 366**
District Health Services						
Current payment	17 099 390	17 198 336	-98 946	15 470 534	15 589 077	-118 543
Transfers and subsidies	450 842	458 294	-7 452	416 887	363 631	53 256
Payment for capital assets	158 854	67 311	91 543	99 828	55 159	44 669
Payment for financial assets	0	30	-30	2	29	-27
Total	**17 709 086**	**17 723 971**	**-14 885**	**15 987 251**	**16 007 896**	**-20 645**
Emergency Medical Services						
Current payment	1 186 198	1 189 528	-3 330	1 125 825	1 133 984	-8 159
Transfers and subsidies	3 779	3 779	0	5 216	3 437	1 779
Payment for capital assets	19 286	15 956	3 330	43 337	36 957	6 380
Payment for financial assets	0	0	0	0	0	0
Total	**1 209 263**	**1 209 263**	**0**	**1 174 378**	**1 174 378**	**0**
Provincial Hospital Services						
Current payment	9 670 623	9 621 228	49 395	9 051 054	9 047 148	3 906
Transfers and subsidies	92 163	193 032	-100 869	116 194	134 412	-18 218
Payment for capital assets	56 017	8 655	47 362	46 298	30 385	15 913
Payment for financial assets	0	0	0	0	2 419	-2 419
Total	**9 818 803**	**9 822 915**	**-4 112**	**9 213 546**	**9 214 364**	**-818**
Central Hospital Services						
Current payment	4 499 505	4 472 417	27 088	4 061 896	4 092 468	-30 572
Transfers and subsidies	21 251	48 533	-27 282	23 959	30 432	-6 473
Payment for capital assets	13 401	13 207	194	2 746	2 029	717
Total	**4 534 157**	**4 534 157**	**0**	**4 088 601**	**4 124 929**	**-36 328**
Health Sciences and Training						
Current payment	887 101	887 101	0	781 531	773 468	8 063
Transfers and subsidies	313 451	313 940	-489	273 909	285 248	-11 339
Payment for capital assets	522	33	489	3 375	99	3 276
Payment for financial assets	0	0	0	7	7	0
Total	**1 201 074**	**1 201 074**	**0**	**1 058 822**	**1 058 822**	**0**
Health Care Support Services						

Programme Name	2016/2017			2015/2016		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Current payment	290 123	268 086	22 037	135 485	165 637	-30 152
Transfers and subsidies	636	636	0	303	244	59
Payment for capital assets	9 609	46	9 563	21 732	214	21 518
Total	**300 368**	**268 768**	**31 600**	**157 520**	**166 095**	**-8 575**
Health Facilities Management						
Current payment	419 595	419 726	-131	357 807	375 853	-18 046
Transfers and subsidies	0	0	0	20 000	20 000	0
Payment for capital assets	1 000 980	1 000 849	131	1 139 811	1 121 765	18 046
Total	**1 420 575**	**1 420 575**	**0**	**1 517 618**	**1 517 618**	**0**
Departmental Total	**37 039 000**	**37 026 397**	**12 603**	**33 969 992**	**34 110 724**	**-140 732**

NOTE: For reasons for deviations, refer to "Notes to the Appropriation Statement"

Unauthorised Expenditure

The Department incurred unauthorized expenditure of R 18.997 million (Note 11) mainly attributed to the rollout of ARV medication, increase in fuel price, cost of medicines, and the rand/ dollar exchange rate. Households were overspent as a result of the extensive number of staff, and increase in medico legal cost. In order to reduce unauthorized expenditure, the Department will adhere to cost containment as per National Treasury Circular.

Public Private Partnership

The Public Private Partnership (PPP) Agreement with Cowslip Investments (Pty) Ltd and Impilo Consortium is in place for the delivery of non-clinical services at Inkosi Albert Luthuli Central Hospital. Details of the PPP and the transactions relating thereto are disclosed under Notes in the Financial Statements (Note 35). The PPP Agreement was extended for a further 3 years, with expiry in 2020.

Supply Chain Management

The Department incurred irregular expenditure of R 7 063 288 billion which is disclosed in Note 31 in the financial statements. Irregular expenditure condoned in the current financial year for prior years amounted to R 89 524 million. The Department also incurred a deviation to the value of R148.103 million.

Due to the qualified opinion on irregular expenditure for the 2015/16 financial year, the Department embarked on an extensive process to identify all irregular expenditure. Irregular expenditure as per Auditor General findings came to the value of R 1 474 002 billion for the period 2015/16 compared with R 148 103 million for the 2014/15 financial year, which was restated as a prior year correction to correct the opening balance of R4 237 490 billion for the 2015/16 financial year.

Gifts and Donations

Donations to the value of R 68.714 million were received and utilised in accordance with donor requests. Details are reflected in Annexure 1H to the Financial Statements.

Events after the Reporting Date

No event occurred subsequent to the balance sheet date.

Exemptions and Deviations received from the National Treasury

No exemptions were requested from the National Treasury. The following exemptions have been obtained from the Provincial Treasury:

BAS/ Persal Reconciliation

The Provincial Treasury had approved a practice note on the compilation of the reconciliation. The Department was thereafter given approval to deviate from the practice note and utilise the original approach, which had been accepted by the Auditor General.

Disclosure of Immovable Assets

The disclosure of immovable assets is included under an Annexure to the annual Financial Statements of the Provincial Department of Works in accordance with a Provincial Treasury directive.

Other Matters

The dispute between the Department and the National Health Laboratory Services (NHLS) over outstanding debt for laboratory services owed by the Department has not been finalised. The contingent liability has been disclosed under Annexure 3B Contingent Liabilities. A task team has been appointed to develop and recommend a billing system as per the Ministers recommendation.

Approval

The Annual Performance Information set out on pages 69 to 193 and Annual Financial Statements set out on pages 256 to 381 and pages 394 to 414 are hereby approved by the Accounting Officer of the Department of Health: KwaZulu-Natal.

Dr ST Mtshali
Accounting Officer
KwaZulu-Natal Department of Health
Date:

ACCOUNTING OFFICER STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY OF THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed throughout the Annual Report are consistent.

The Annual Report is complete, accurate and is free from any omissions.

The Annual Report has been prepared in accordance with the guidelines on the Annual Report as issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

The Accounting Officer is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information.

The Accounting Officer is responsible for establishing, and implementing a system of Internal Control that has been designed to provide reasonable assurance as to the integrity and reliability of the Performance Information, the Human Resources Information and the Annual Financial Statements.

The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

In my opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Department for the financial year ended 31 March 2017.

Yours faithfully,

Dr ST Mtshali
Accounting Officer
KwaZulu-Natal Department of Health
Date:

STRATEGIC OVERVIEW

Vision

Optimal health for all persons in KwaZulu-Natal

Mission

To develop and implement a sustainable, coordinated, integrated and comprehensive health system at all levels, based on the Primary Health Care approach through the District Health System, to ensure universal access to health care

Core Values

- Trustworthiness, honesty and integrity
- Open communication, transparency and consultation
- Professionalism, accountability and commitment to excellence
- Loyalty and compassion
- Continuous learning, amenable to change and innovation

Legislative and Other Mandates

The Constitution of the Republic of South Africa (Act No. 108 of 1996): In terms of the Constitutional provisions, the Department is guided by amongst others the following sections and schedules:

- Section 27(1): "Everyone has the right to have access to … health care services, including reproductive health care".
- Section 27 (2): The State must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of each of these rights.
- Section 27(3): "No one may be refused emergency medical treatment".
- Section 28(1): "Every child has the right to …basic health care services…"

Schedule 4 lists health services as a concurrent national and provincial legislative competence.

- Section 195: Public administration must be governed by the democratic values and principles enshrined in the Constitution.
- Section 195 (1b): Efficient, economic and effective use of resources must be promoted.
- Section 195 (1d): Services must be provided impartially, fairly, equitably and without bias.
- Section 195 (1h): Good human resource management and career development practices, to maximise human potential must be cultivated.

In carrying out its functions, the Department is governed mainly by the following national and provincial legislated Acts and Regulations. Some of the legislation has a specific or direct impact on the Department whereas others have a more peripheral impact.

- Basic Conditions of Employment Act (Act No. 75 of 1997): Provides for the minimum conditions of employment that employers must comply with in their workplace.
- Child Care Act, 74 of 1983: Provides for the protection, welfare and treatment of certain children and to provide for incidental matters.
- Choice of Termination of Pregnancy Act (Act No. 92 of 1996, as amended): Provides a legal framework for termination of pregnancies (under certain circumstances) and based on informed choice.
- Chiropractors, Homeopaths and Allied Health Service Professions Act, 63 of 1982: Provides for the control of the practice of the professions of Chiropractors, Homeopaths and Allied Health Professions, to determine its functions and matters connected therewith.
- Dental Technicians Act, 19 of 1979: Consolidate and amend laws relating to the profession of Dental Technician and to provide for matters connected therewith.
- Division of Revenue Act (Act 7 of 2003): Provides for the manner in which revenue generated may be disbursed.
- Health Professions Act (Act No. 56 of 1974): Provides for the regulation of health professions, in particular medical practitioners, dentists, psychologists and other related health professions, including community service by these professionals.
- Human Tissue Act (Act No. 65 of 1983): Provides for the administration of matters pertaining to human tissue.
- KwaZulu-Natal Health Act (Act No. 1 of 2009) and Regulations: Provides for a transformed Provincial Health System within framework of the National Health Act of 2003.
- Labour Relations Act (Act No. 66 of 1995): Provides for the law governing labour relations and incidental matters.
- Medicines and Related Substances Act (Act No. 101 of 1965 as amended): Provides for the registration of medicines and other medicinal products to ensure their safety, quality and efficacy, and also provides for transparency in the pricing of medicines.
- Mental Health Care Act (Act No. 17 of 2002): Provides a legal framework for mental health and in particular the admission and discharge of mental health patients in mental health institutions.
- National Health Act (Act No. 61 of 2003) and Amendments: Provides for a transformed National Health System to the entire Republic.
- National Health Laboratories Services Act (Act No. 37 of 2000): Provides for a statutory body that provides laboratory services to the public health sector.
- Nursing Act (Act 33 of 2005): Provides for the regulation of the nursing profession.

- Occupational Health and Safety Act (Act No. 85 of 1993): Provides for the requirements that employees must comply with in order to create a safe working environment in the workplace.
- Public Finance Management Act (Act No. 1 of 1999 as amended) and Treasury Regulations: Provides for the administration of State funds by functionaries, their responsibilities and incidental matters.
- Preferential Procurement Policy Framework Act (Act No. 5 of 2000): Provides for the implementation on the policy for preferential procurement pertaining to historically disadvantaged entrepreneurs.
- Public Service Act (Act No. 103 of 1994) and the Public Service Regulations: Provisions for the administration of the public service in its national and provincial spheres, as well as provides for the powers of ministers to hire and fire.
- Pharmacy Act (Act No. 53 of 1974 as amended): Provides for the regulation of the pharmacy profession, including community service by Pharmacists.
- Skills Development Act (Act No. 97 of 1998): Provides for the measures that employers are required to take to improve the levels of skills of employees in the workplace.
- Traditional Health Practitioners Act (Act No. 35 of 2004): Regulates the practice and conduct of Traditional Health Practitioners.

Policy Mandates

- Clinical Policies and Guidelines: The Department is implementing and monitoring an extensive number of clinical health policies to ensure high quality of care and clinical outcomes.
- National and Provincial Data Management Policies: Provide the framework for effective management of health information at all levels of reporting.
- Financial Management Policies: The Department generates financial management policies that are aligned with legislation and Treasury Regulations.
- Provincial Health Research Policy and Guidelines: Provides the policy framework and guidelines for health research.
- Human Resource Policies: The Department contributes to and develops numerous Provincial Human Resource Policies to ensure compliance to human resource imperatives.
- Policy on National Health Insurance: Provides for systems strengthening to ensure universal access to health care.
- Policy on Management of Hospitals: Provides the policy imperatives for management of Public Hospitals.
- Regulations Relating to Classification of Hospitals: Provides the policy framework for classification of Public Health Hospitals.

Government Policy Frameworks that Govern the Department

- National Development Plan 2030
- The Sustainable Development Goals 2030
- Medium Term Strategic Framework 2014-2019
- The Provincial Growth and Development Strategy and Plan 2035
- Provincial Poverty Eradication Master Plan
- Negotiated Service Delivery Agreement for Health
- National Health Insurance White Paper
- Human Resources for Health Policies and Frameworks
- Provincial Strategic Goals and Objectives
- Infrastructure: KwaZulu-Natal Planning and Development Act, No 6 of 2008; Regulations Regarding Communicable Diseases 2008; Emergency Medical Services Regulations 2015: Construction Regulation 2014; and Space Planning Norms and Standards for Office Accommodation used by Organs of State 2005.

Strategic Outcome Orientated Goals

The table below illustrates the alignment between the Department's Strategic Goals and other macro frameworks and plans.

Table 3: (A1) Alignment of Macro Plans

KZN Strategic Goals 2015-2019	National Development Plan 2030	Medium Term Strategic Framework 2014-2019	Provincial Growth & Development Plan 2035	Sustainable Development Goals 2030
Strategic Goal 1: Strengthen health system effectiveness	**Strategic Goal 6**: Health system reforms complete **Priority b**: Strengthen the health system **Priority c**: Improve health information systems **Strategic Goal 7**: PHC teams deployed to provide care to families & communities	**Sub-Output 3**: Implement the re-engineering of PHC **Sub-Output 4**: Reduced health care cost **Sub-Output 6**: Improved health management & leadership **Sub-Output 10**: Efficient health information management system developed and implemented to improve decision-making	**Strategic Objective 3.2**: Enhance the health of citizens and healthy communities **Intervention 3.2(a):** Re-engineering of PHC	Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all
Strategic Goal 2: Reduce and manage the burden of disease	**Strategic Goal:** Average male & female life expectancy increased to 70 years **Strategic Goal 2**: TB prevention & cure progressively improved **Strategic Goal 3**: Maternal, infant and child mortality	**Sub-Output 8**: HIV, AIDS & TB prevented & successfully managed **Sub-Output 9**: Maternal, infant & child mortality reduced	**Intervention 3.2.(b):** Scaling up programmes to improve maternal, child and women's health **Intervention 3.2 (c):** Scaling up integrated programmes to expand healthy lifestyle programmes and reduce and	By 2030, reduce the global maternal mortality ratio to less than 70 per 100,000 live births By 2030, end preventable deaths of newborns and children under 5 years of age, countries aiming to reduce neonatal mortality to at least 12 per 1,000 live births and under-5 mortality to at least 25 per 1,000 live births By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected

KZN Strategic Goals 2015-2019	National Development Plan 2030	Medium Term Strategic Framework 2014-2019	Provincial Growth & Development Plan 2035	Sustainable Development Goals 2030
	reduced **Strategic Goal 4**: Prevalence of NCD's reduced by 28% **Strategic Goal 5**: Injury, accidents and violence reduced by 50% from 2010 levels **Priority a**: Address the social determinants that affect health and disease **Priority d**: Prevent and reduce the disease burden and promote health		manage non-communicable diseases **Intervention 3.2 (d):** Scaling up programmes to reduce incidence & manage prevalence of HIV, AIDS and STIs **Intervention 3.2 (e):** Scaling up programmes to improve TB outcomes **Intervention 3.2 (f):** Implementing programmes to reduce local malaria incidence	tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being Strengthen prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol By 2020, halve the number of global deaths and injuries from road traffic accidents By 2030, ensure universal access to sexual and reproductive healthcare services, including family planning, information and education, and the integration of reproductive health into national strategies and programmes By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination Strengthen the implementation of the World Health Organization Framework Convention on Tobacco Control in all countries, as appropriate Support research and development of vaccines and medicines for communicable and non-communicable diseases
Strategic Goal 3: Universal health coverage	**Strategic Goal 8**: Universal health coverage achieved **Priority e**: Financing universal health care coverage	**Sub-Output 1**: Universal health coverage progressively achieved through implementation of NHI **Sub-Output 7**: Improved health facility planning & infrastructure delivery	**Strategic Objective 3.2**: Enhance the health of citizens and healthy communities	Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all
Strategic Goal 4: Strengthen human resources for health	**Strategic Goal 9**: Posts filled with skilled, committed & competent individuals **Priority f**: Improve human resources in the health sector **Priority g**: Review management positions and appointments and strengthen	**Sub-Output 5**: Improved human resources for health	**Intervention 3.2 (g):** Improving human resources for health	Substantially increase health financing and the recruitment, development, training and retention of the health workforce in developing countries, especially in least developed countries and small island' developing states

KZN Strategic Goals 2015-2019	National Development Plan 2030	Medium Term Strategic Framework 2014-2019	Provincial Growth & Development Plan 2035	Sustainable Development Goals 2030
	accountability mechanisms			
Strategic Goal 5: Improved quality of health care	**Priority h**: Improve quality by using evidence	**Sub-Output 2**: Improved quality of health care	**Strategic Objective 3.2**: Enhance the health of citizens and healthy communities	Strengthen the capacity of all countries, in particular developing countries, for early warning, risk reduction and management of national and global health risks

Source: Strategic Plan 2015-2019

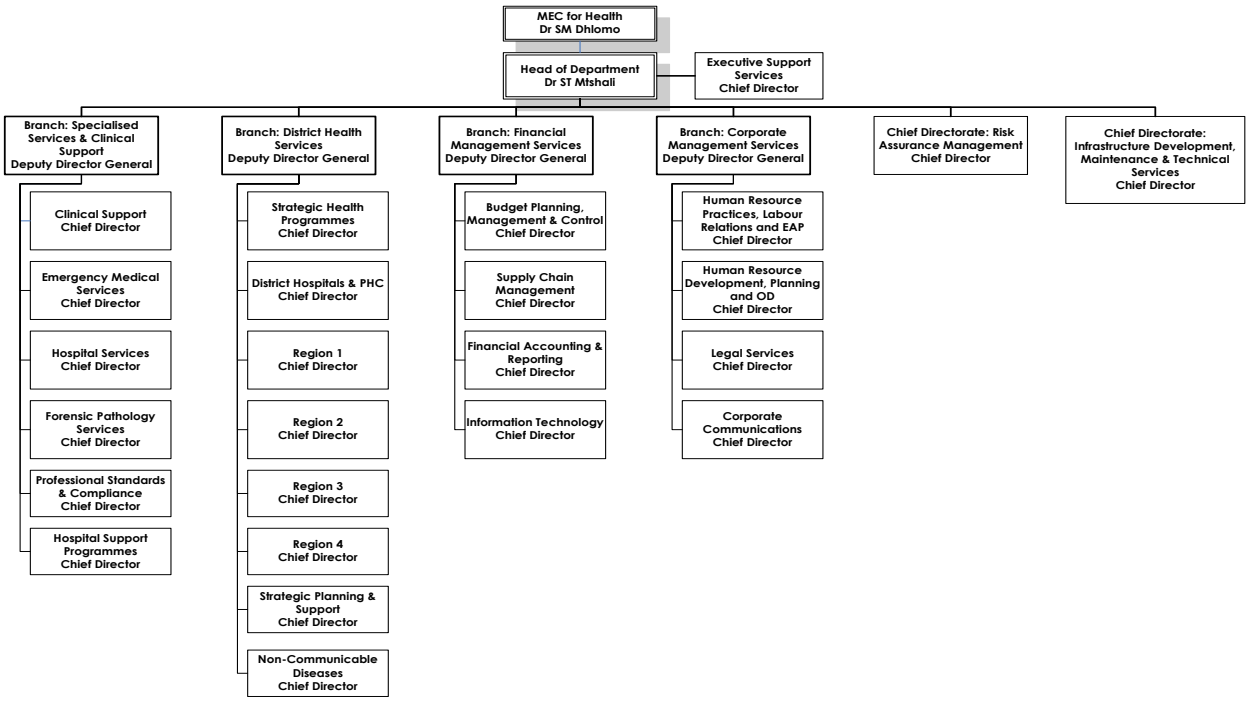
Organisational Structure

The macro organisational structure has been aligned with the mandates and core business of the Department to ensure effective leadership, oversight and support for all functions necessary to ensure an enabling environment for optimal service delivery.

Figure 1 reflects the approved macro structure (level 14 – 16) as at 31 March 2017. Due to fiscal constraints and consequent austerity measures, a decision was taken not to fill the 4 Regional Chief Director posts as originally envisaged. Alternative service arrangements were put in place to ensure effective leadership and oversight.

Review of facility structures commenced taking into consideration designation of facilities, package of services per level of care, and alignment of the service delivery and training platforms to accommodate implementation and maintenance of the Decentralised Training Model in collaboration with the University of KwaZulu-Natal (UKZN).

Figure 1: Macro Organisational Structure



Entities Reporting to the MEC for Health

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
The Provincial Pharmaceutical Supply Depot (PPSD) is an entity which is incorporated in the KwaZulu-Natal Department of Health.	Established in terms of the Public Finance Management Act, 1 of 1999.	PPSD is funded by the Department through the levy charged to health facilities for procurement and distribution of pharmaceutical products. Pharmaceuticals are charged at actual cost plus a mark-up of between 4% and 12% to cover administrative costs. Surcharge of 4% levied on all pharmaceutical items procured by PPSD and delivered directly by the supplier to the requisitioning institutions. Surcharge of 5% levied on all pharmaceutical items procured by and received at PPSD and thereafter delivered to the institutions via the contracted courier. Surcharge of 12% levied on all pharmaceuticals that involve the use of PPSD employees for prepacking.	The 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 nationally contracted suppliers and are then distributed to the various health facilities, which belong to the KwaZulu-Natal Department of Health, based on demand.

The Annual Financial Statements of Pharmaceutical Services, including the Report from the Auditor General, is included in this report from pages 394 to 414.

PART B: PERFORMANCE INFORMATION

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Auditor General Report on Predetermined Objectives

The Auditor-General of South Africa (AGSA) performs audit procedures on performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on performance against predetermined objectives is included in the Report of the Auditor General included in this report, Part E: Annual Financial Statements; Report on other Legal and Regulatory Requirements; Page 246.

Overview of Departmental Performance

Service Delivery Environment

According to mid-year population estimates, the KZN population increased from 10 919 077 in 2015 to 11 079 717 in 2016[1], and the uninsured population increased from an estimated 9 619 707 to 9 761 231[2]. The main beneficiaries for public health services remained the uninsured population.

Table 4 quantifies the service delivery platform that catered for public health services in KZN in 2016/17.

Table 4: Public Health Facilities in KZN

District	PHC		Hospitals						
	Fixed Clinics[3]	CHC's	District	Regional	Tertiary	Central	Specialised Tuberculosis	Specialised Psychiatric	Chronic/ Sub-Acute
Ugu	54	2	3	1	0	0	1	0	0
Umgungundlovu	50	3	2	1	1	0	2	3	0
Uthukela	36	1	2	1	0	0	0	0	0
Umzinyathi	51	1	4	0	0	0	0	0	0
Amajuba	25	1	1	2	0	0	0	0	0
Zululand	72	1	5	0	0	0	1 (+2)[4]	1	0
Umkhanyakude	57	0	5	0	0	0	0	0	0
King Cetshwayo	63	1	6	1	1	0	0	0	0
Ilembe	34	2	3	1	0	0	0	0	0
Harry Gwala	40	1	4	0	0	0	1	1	0
eThekwini	110	8	3 (+1)[5]	6	1	1	2	1	2
KZN Total	**592**	**21**	**39**	**13**	**3**	**1**	**8**	**6**	**2**

[1] Stats SA 2015 and 2016 Mid-Year Estimates
[2] Source: 2016 General Household Survey estimate of 88.1% uninsured population
[3] Includes Provincial and Local Government clinics
[4] Includes Siloah Lutheran and Mountain View State Aided TB Hospitals
[5] Excluding McCords Hospital (Provincial Specialist Eye Care Hospital included under Regional Hospitals); including St Mary's (State Aided)

Notes on Table 4

- Catchment populations per clinic, influenced by the unique topography and demography in the Province (including population density and household distribution) and location of facilities, vary between 4 500 and 32 260. Inequities in allocation of human resources remained a challenge with the average PHC workload per Professional Nurse (PN) ranging between 9 and 79 patients per PN per day.

- Regional Hospitals render a significant proportion of District Hospital package of services mainly due to the population distribution and location of hospitals. This arrangement ensures improved access to district level of care, although it has significant cost implications. The current hospital information system is not making provision for quantifying district and regional patients, which affects decision-making and resource allocation.

- Clairwood Hospital is rendering mainly step-down services for eThekwini. A Kangaroo Mother Care (KMC) ward has been commissioned in the hospital in 2016/17 to improve access for under-weight babies.

- Reporting:

  - King Edward VIII Hospital (classified as Central Hospital and rendering approximately 50% regional and 50% tertiary services) reported as Tertiary Hospital in 2016/17 following a Management Committee (ManCo) resolution.

  - McCords Provincial Specialised Eye Care Hospital, still classified as a District Hospital, reported as Regional Hospital.

  - King Dinuzulu Hospital, classified as Regional Hospital and included under Specialised TB Hospitals in the District Health Information System (DHIS), reported as District Hospitals (400 level 1 beds). Submissions have been submitted to the National Department of Health to correct the DHIS.

Services delivered directly to the public

Community-based services

Non-acute health services provided at community and household level through Ward Based Outreach and School Health Teams, TB Surveillance and MDR-TB Teams, and Community Care Givers (CCGs). Services include health promotion/ education; screening for health conditions; appropriate referral to health facilities; follow-up and support of patients on treatment; home-based care; school health services including implementation of health promoting schools; the management of MDR-TB patients at household level; mental health; and chronic care.

Phila Mntwana Centres, linked with Operation Sukuma Sakhe (OSS) War Rooms, provide promotive and preventive services targeting children. OSS is used as vehicle for inter-government service integration at community level including addressing the social determinants of health e.g. poverty eradication, provision of sanitation, water, electricity, waste removal, etc.

The Centralised Chronic Medication Dispensing and Distribution (CCMDD) Programme makes chronic medication available to patients at community level close to where they reside. This decongests facilities, save cost and travelling times to facilities, and decrease waiting times at health facilities.

Services at truck stops, taxi ranks, and other high risk areas increased access to basic and essential services e.g. testing for HIV, TB and other chronic conditions and ensure timeous referral for appropriate clinical management of conditions at fixed facilities.

Primary Health Care (PHC) services

Nurse driven services provided at fixed (clinics and CHCs) and mobile clinics covering a comprehensive range of curative, preventative, rehabilitative and palliative services. Include services for minor ailments; maternal, child and women's health; communicable and non-communicable diseases and conditions; oral and dental health; environmental health; and nutrition. Mobile services are used to improve access in sparsely populated areas or areas with poor access to fixed facilities. Outreach services from District Hospitals and services rendered by Private Practitioners increase access to clinical services at entry point.

Hospital Services

In and out-patient services rendered at District, Regional, Specialised, Tertiary and Central Hospitals. District Hospitals, with 8 290 usable beds, form part of the District Health System and include services at General Practitioner level with varying degrees of General Specialist services to improve access in especially rural areas.

Regional Hospitals, with 6 159 usable beds, render services at General Specialist level and serve as referral for District Hospitals. All Regional Hospitals render a significant proportion of level one services mainly due to demographic distribution of households and location of hospitals. Lower Umfolozi War Memorial and Newcastle Hospitals, with 679 usable beds, provide mother and child services. The McCords Provincial Eye Care Hospital, with 61 usable beds, is in the first phase of commissioning and provides specialised eye care services only.

Specialised TB (972 usable beds), and Psychiatric (3 047 usable beds) Hospitals provide acute and sub-acute services for the two clinical disciplines. The Step Down/ Sub-Acute Hospitals (460 usable beds) provide step-down care.

Tertiary Hospitals, with 1 449 usable beds, and one Central Hospital, with 846 usable beds, provide highly specialised tertiary and quaternary services.

Outreach services are provided by level 2 and 3 hospitals to improve access to quality clinical management at lower levels of care.

Emergency Medical Services (EMS) and Patient Transport Services (PTS)

Services include emergency response, special operations, communication, aeromedical services, and patient transport services. Aeromedical services are provided by Air Mercy Services (AMS) using 1 fixed wing aircraft and 2 rotor wing aircraft (helicopters) based at Richard's Bay and King Shaka Airports. AMS provides a critical service in transporting Specialists to outlying areas for clinical sessions or training to improve access and clinical competence.

Forensic Pathology Services

Specialised Forensic Pathology Services are provided at 39 Medico-Legal Mortuaries throughout the Province.

Clinical Forensic Medicine

Crisis Centres have been established in all District and Regional Hospitals within the Province to strengthen clinical medico-legal services focusing on the management of survivors of violence (including rape and sexual assault).

Challenges and corrective steps

Budget constraints

The ability to respond to health demands exacerbated by the quadruple burden of disease, has become a quandary due to the shrinking fiscal envelope. The health budget remains inadequate with dire consequences for prioritisation of service demands and the accompanying resource allocation to sustain services. *The Department commenced with the development of a Turn-Around Strategy to address critical strategic and operational issues in the short, medium and long term.*

Expansion of the PHC platform to improve equitable access to clinics had to be reviewed and re-prioritised in order to address critical shortages of resources (staff and equipment) as well as infrastructure demands in existing facilities. *Review of staffing structures at clinic level, informed by utilisation rates and workloads, commenced to ensure equitable distribution of human resources.*

Provincialisation of Local Government services in eThekwini has not been finalised. High level discussions are continuing to find the most appropriate solution for aligning service platforms. Funding implications for takeover is significant and will be incorporated in forward planning to ensure smooth transition of services.

The demand for some clinical services, at especially regional and tertiary level, exceeded available resources resulting in extended waiting times and backlogs. This put considerable pressure on the workforce to ensure optimal utilisation of resources. The cost of employee budget was under extreme pressure during 2016/17, which delayed filling of additional critical posts resulting in increased clinical backlogs and high workloads. *An in-depth analysis of clinical service pressures versus available resources commenced late 2016/17 to inform the Hospital Rationalisation Plan with the aim to improve efficiencies and access.*

Medico legal claims

The increase in medico legal claims remained a serious concern and continues to put severe pressure on the already inadequate budget. During 2016/17, a significant increase in claims for cerebral palsy cases was noted. Capacity in the Medico Legal Unit is inadequate to manage the increasing case load, and the shortage of clinical specialists (especially Radiologists) to investigate cases further delay processes.

Infrastructure demands

Infrastructure demands far outstripped available funding which inevitably delayed the intended pace of identified and prioritised projects. Ageing infrastructure across the service platform requires significant investment which has put pressure on the limited budget also taking into consideration required standards for National Core Standards. Challenges with contractors again delayed a number of projects with significant cost and commissioning implications. The Department accelerated the appointment of built environment professionals at Head Office Level, with the main aim to improve infrastructure planning, oversight on project implementation and maintenance.

Medicines stock outs

Stock out of certain medicines e.g. vaccines remained a challenge during the year under review. Some suppliers were unable to supply medicines on their contracts and alternative suppliers could not be contracted for buy-out against defaulting contracted suppliers. Some items were procured on quotation as there were no bidders when tenders were advertised for specific items. *Improved management and control measures were instituted at facility level to ensure adequate stock levels are maintained.*

External factors that influenced demand for services or health outputs

Socio economic factors, including poverty, inadequate access to potable water, sanitation, electricity, lack of refuse removal, and low literacy levels are associated with poor health status and negative health outcomes. Table 5 provides a condensed overview of social determinants of health in 2016.[6]

Table 5: Social determinants of health

Social determinants of health	Percentage of households
No access to electricity	18.5%
No access to piped or tap water	16.7%
No access to good sanitation	23.1% (4.1% still use the bucket system)
Refuse removal at least once a week	49%
Grant as single source of income	26.4%
Food access severely inadequate	5.8%
Food access inadequate	18.2%
Food access adequate	76%

The Poverty Eradication Master Plan (PEMP), positioned within the context of the Provincial Growth and Development Plan (PGDP), identified integrated focus areas (pillars) for job creation, enterprise development, community development, social protection, human resource development and agriculture. A phased approach is used for implementation of PEMP, targeting the most deprived households in the most deprived wards.

Phase 1: Targeting the 5 most deprived municipalities.

Phase 2: Targeting the 5 most deprived wards per district.

Phase 3: Expanding programmes to the 169 poorest wards in KZN.

Phase 4: Rollout to the rest of the wards in KZN.

Service Delivery Improvement Plan

The main focus of the 2016/17 – 2018/19 Service Delivery Improvement Plan (SDIP) is on quality improvement and patient satisfaction using the Ideal Clinic Realisation and Maintenance (ICRM) Programme as vehicle for implementation. Improving quality and patient satisfaction underscores the KZN Department of Health plan of action to accelerate PHC re-engineering including strengthening community-based interventions, and improving universal access to quality health services in line with implementation of National Health Insurance and goals of the National Development Plan 2030.

The ICRM Programme is embedded in PHC re-engineering with a strong focus on community consultation and participation and ultimately ensuring patient satisfaction with health services. The concept makes provision for

[6] 2016 General Household Survey, Statistics South Africa

continuous and robust quality improvement initiatives, guided by high quality standards as prescribed in the National Core Standards for clinics and Community health centres (CHCs).

Regular self-assessments and peer reviews have been conducted to assess and monitor implementation and progress, to identify best practices and to address identified gaps through implementation of quality improvement plans. The Office of Health Standards and Compliance conducted annual external assessments to determine if clinics complied with the National Core Standards for accreditation as Ideal Clinics. This is a requirement for implementation of National Health Insurance ensuring universal health access.

Objectives, indicators and targets for the SDIP were formulated following consultation and analysis of relevant data. The indicators and targets have been aligned with the Annual Performance Plan with specific reference to the re-engineering of PHC and implementation of the ICRM Programme.

At operational level, the SDIP has been integrated in District and Facility Operational Plans to ensure effective operationalisation and integration at facility and community levels.

SDIP Objectives

1. 100% of PHC clinics score above 70% on the Ideal Clinic Dashboard by March 2020.
2. Sustain a 100% client satisfaction survey rate in all public health facilities from March 2016 onwards.
3. Sustain a client satisfaction rate of 95% (or more) at all public health facilities by March 2020.
4. Sustain a complaint resolution rate of 90% (or more) in all public health facilities from March 2019 onwards.
5. Sustain 85% (or more) complaint resolution within 25 working days rate in all public health facilities from March 2018 onwards.
6. Establish governance structures in all districts and facilities by March 2019 as required by the National Health Act, 2003.

SDIP key elements and deliverables have been included in the routine monitoring and reporting processes at both Provincial and District levels. A customised quarterly reporting template has been developed to regulate district reporting. Quarterly district reports, collated from facility reports, have been submitted to the Provincial M&E Directorate after which district reports have been reviewed, verified, collated into a provincial report and submitted by the M&E Directorate for distribution and discussion at Senior Management level. Progress reports have been tabled at ManCo meetings.

Main challenges

- Delays in Supply Chain Management (SCM) processes and turn-around times e.g. procurement of essential equipment.
- Significant demand for infrastructure upgrades and maintenance, which has been delayed as a result of the limited infrastructure budget.
- Delays in filling of vacant posts including those for Operational Managers and PHC Managers/ Supervisors due to pressures in the Compensation of Employees budget.
- Due to staffing pressures at provincial and district levels it was not possible to conduct the planned audits to determine coverage as required in some indicators.

Mitigating strategies

- The National Department of Health, in collaboration with provinces, commenced with a national intervention to:

  - Strengthen SCM systems and processes to improve turn-around times for procurement of equipment.
  - Fast track infrastructure projects at clinic level to assist in scaling up accreditation of Ideal Clinics.
- Appropriate strong motivations were submitted for the filling of critical posts including those for Operational Managers and PHC Managers/ Supervisors.

Recommendations going forward

The DPSA (Department of Public Service and Administration) assessment of the 2016/17 SDIP identified specific gaps that were also highlighted in the MPAT (Management Performance Assessment Tool) Report. These gaps will be addressed during the 2 outer years of the SDIP (2017/18 – 2018/19) through implementation of an SDIP Enhancement Plan.

The SDIP Enhancement Plan was approved and published as an Addendum to the 2017/18 Annual Performance Plan. It makes provision for a strong focus on Operations Management; Batho Pele Principles; Change Management; and Public Participation and Social Dialogue as per DPSA Framework.

Table 6: Main services and standards

Main services	Beneficiaries	Current/ Actual Standard of Services (2015/16)	Desired Standard of Services	Actual Achievement (2016/17)
Patient satisfaction with health services.	Beneficiaries and users of public health services.	Annual patient satisfaction surveys conducted by 71.5% of clinics. Of the clients participating in surveys, 83% were satisfied with services. Analysis of data to inform Quality Improvement Plans (QIPs), and assessment of QIPs progress need to be improved.	Annual patient satisfaction surveys conducted by 100% clinics. Analysis of results must inform Quality Improvement Plans (QIPs). Monitor progress to assess output/ outcome against standards. Provide feedback to health care providers and users.	Annual patient satisfaction surveys conducted in 65.7% clinics. Of the clients participating in the surveys, 81.3% were satisfied with services. Analysis of survey results and development and monitoring of QIPs needs to be improved.
Complaints resolution.	Beneficiaries and users of public health services.	73.8% of complaints were resolved, and of those 91.5% were resolved within 25 working days.	Ideally all complaints must be resolved within 25 working days taking into account the complexity of complaints and accurate information from complainants.	88.4% of complaints were resolved, and of those 95.5% were resolved within 25 working days.
Average waiting times at PHC clinics.	Beneficiaries and users of public health services.	No waiting time survey was conducted to establish a credible baseline.	Standard have not been established as no baseline data is available. A 2% reduction in waiting times will be considered once measurement is available.	Average waiting time at clinics was 194 min (3 hours and 20 min).

Table 7: Batho Pele arrangements with beneficiaries

Current Arrangements (2015/16)	Desired Arrangements	Actual Achievements (2016/17)
Consultation		
A structured complaint/ complement system is in place in all facilities.	Structured complaint/ complement system available in all facilities. Immediate response to complaints with response times within 25 working days (dependent on complexity of complaints).	A structured complaint/ complement system is in place in all facilities. All clients are not providing correct contact details to ensure effective follow-up after complaints.

Current Arrangements (2015/16)	Desired Arrangements	Actual Achievements (2016/17)
Client satisfaction surveys conducted in 65.7% clinics.	100% Clinics conduct annual patient satisfaction surveys, and use analysed results to inform QIPs. Monitor QIP output/ outcome to track progress.	Client satisfaction surveys conducted in 65.7% clinics. Not all clinics use analysis of results to inform QIPs for monitoring of progress.
Consultation with District Management, Hospital Boards and Clinic Committees on implementation of programmes.	Extended consultation with community structures as part of OSS and with Hospital Boards and Clinic Committees.	Consultation with District Management, Hospital Boards, Clinic Committees and as part of OSS at ward level. Consultation with community structures must be improved.
Access		
A total of 253 727 patients were registered to receive chronic medication at community distribution points.	15% increase in the number of registered patients per annum on baseline (383 786).	A total of 619 020 patients were registered to receive chronic medication at community distribution points (144% increase).
Partial adherence to operating hours.	Adherence to official operating hours in all facilities.	An estimated 80% of facilities adhered to operating hours as per service board.
Information		
Partial adherence to signage requirements.	33% adherence to standardised signage requirements.	Estimated 30.7% (188/ 613) clinics adhered to the standardised signage requirements.
Communities and patients are given full, accurate information about the medicine pick-up points close to their homes.	All patients must be informed of this option in accordance with the increased enrolment.	All patients are informed of medicine pick-up points.
100% of facilities with the relevant Information Education Communication material – posters, pamphlets, brochures and audio visual.	100% of facilities with the relevant Information Education Communication material – posters, pamphlets, brochures and audio visual.	100% of facilities with the relevant Information Education Communication material – posters, pamphlets, brochures and audio visual.
Courtesy		
Partial compliance with the following: • Relevant dress codes including identifying devices. • Queue marshals. • Appropriate mechanisms for management of patient complaints, compliments and suggestions.	200 facilities fully compliant.	Partial compliance. No audit has been conducted to determine the actual compliance per standard. *This will be prioritised in the next MTEF.*
Openness and Transparency		
Clinic Committees are kept informed about clinic operations and progress and management of complaints.	Clinic Committees are kept informed about clinic operations and progress, management of complaints, financial matters, and burden of disease.	Clinic Committees are kept informed about clinic operations and progress and management of complaints.
Full disclosure on clinical conditions as per available guidelines.	Full disclosure on clinical conditions as per available guidelines.	Full disclosure on clinical conditions as per available guidelines.
Redress		
Redress mechanisms are in line with the complaints, compliments and suggestions protocol.	Redress mechanisms are in line with the complaints, compliments and suggestions protocol.	Redress mechanisms are in line with the complaints, compliments and suggestions protocol.
Value for Money		
Expenditure per PHC headcount is R275, which is in line with the average cost per patient.	Expenditure per PHC headcount: R 347.	Expenditure per PHC headcount: R 380.
Tracer medicines stock-out rate: 7%.	Tracer medicines stock-out rate: 5%	Tracer medicines stock-out rate: 2%

Table 8: Service delivery information tool

Current/ Actual information tools (2015/16)	Desired information tools	Actual achievements (2016/17)
Signage indicating names and location of facilities, hours of operation and package of services are not in place at all facilities.	Signage indicating names and location of facilities, hours of operation and package of services are in place.	188 clinics have standardised signage in place.

Table 9: Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Health Ombudsperson manages complaints reported to Head Office and through the Presidential/ Provincial Hotline. Facility-based complaints managed by Public Relations Officers and Quality Assurance Managers.	Health Ombudsperson, Public Relations Officers and Quality Assurance Managers manage complaint management including feedback to public.	Ombudsperson manages complaints reported to Head Office and through the Presidential/ Provincial Hotline. Facility-based complaints managed by Public Relations Officers and Quality Assurance Managers.
Complaints and complement boxes are available in all facilities.	Complaints and complement boxes available in all facilities.	Complaints and complement boxes are available in all facilities.

Organisational Environment

Strike action

There were no strikes during the period under review.

Significant system failure

There were no significant system failures during the period under review.

Key Policy Developments and Legislative Changes

- There were no legislative changes during the period under review.
- Implementation of the Universal Test and Treat (UTT) policy/ strategy commenced 1 September 2016.
  - All HIV positive children, adolescents and adults, regardless of CD4 count, shall be offered ART.
  - Patients in the pre-ART and wellness programme shall be considered for UTT.
  - Willingness and readiness to start ART shall be assessed and patients who are not ready after assessment shall be kept in the wellness programme. Continuous counselling on the importance of early treatment and scheduled CD4 as per SA clinical guidelines shall continue at every visit.
  - Baseline monitoring of CD4 count must still be done as it is the key factor in determining the need to initiate opportunistic infection prophylaxis at CD4 s200 cells/mm3; identify eligibility for CrAg at CD4 :>100; prioritisation at CD4 s350 cells/mm3; and fast tracking at CD4 ~200 cells/mm3.

Progress against 2015 – 2019 Strategic Outcome Oriented Goals

Strategic Goal 1: Strengthen health systems effectiveness

Long Term Plan

The Long Term Plan has not been finalised. The plan will be informed by the approved Turn-Around Strategy. *Development of the strategy commenced in 2016/17 focussing on critical identified strategic issues to improve short, medium and long term outputs and outcomes.*

Medico-Legal Litigation

A series of Medico Legal Indabas were conducted to explore mitigation strategies. A Business Plan, detailing specific interventions to reduce and manage litigation more effectively, was drafted and submitted for approval. Once approved, the proposed Medico Legal Unit structure will be activated to strengthen capacity. A strategy has been put in place to improve clinical governance and to improve efficiencies in the retrieval of medical records. Adverse Risk Events Committees have been established in all hospitals to ensure immediate response to red flags and workshops were conducted to sensitise staff on implications of medico legal claims and strengthening of Adverse Events Committees.

A Quality Improvement and Clinical Governance Framework have been developed to standardise clinical practice across service platforms. The Department collaborated with the Office of Health Standards Compliance to induct Quality Managers, Chief Executive Officers (CEOs) and District Managers on the management of quality improvement projects, and the Centre for Public Service Innovation trained CEOs on Innovation Management.

Information Management

An approved Information management strategy, informed by prevailing challenges and extensive consultation with Districts and Heads of Units, will be implemented in 2017/18 to improve data quality. There is a strong focus on multi-sectoral collaboration to improve system and process efficiencies at all levels. The Provincial Health Information System Committee meetings will be revived and a standardised Terms of Reference will be developed to improve the efficiency of District and Facility Information Committee meetings.

Rollout of the web-based information system (NDOH project): A total of 336 users were trained on the WebDHIS, and the first phase implementation commenced in December 2016 in all hospitals and CHCs. Information captured at these facilities is available at district, provincial and national levels within 24 hours, which significantly reduces the waiting time for facility data. Information Technology (IT) is fast tracking connectivity in clinics for implementation of phase 2 of the project in PHC clinics. Training of Provincial and District Programme Managers on the use of WebDHIS is hoped to encourage use of information for monitoring, planning and decision-making and promote accountability for data completeness and quality.

Standardise/ rationalise all data collection tools: All data collection tools at hospital and PHC level were aligned to the National Indicator Data Set (NIDS) 2017, and consultations with Programme Managers informed the selection of the Provincial Indicator Data Set (PIDS) data elements. The rationalisation of registers project continued with customised registers at PHC clinics. However, the Province experienced a shortage of registers which negatively impacted on the recording and reporting of data during the 2016/17 financial year. Steps were taken to address this shortfall and registers will be readily available from Central Provincial Stores once the relevant approvals have been granted.

TIER.Net scale-up: Between 2015/16 and 2016/17, the number of Tier2 Phase 6 sites increased from 598 to 637, with 39 new facilities signed off (fully digitised HIV patient records and eligible to report on ART Quarterly Cohort Indicators).

Integrated TB/HIV Information System (THIS): All districts were trained on the new integrated TB/HIV Information System (TIER.net with TB module) in the 4th quarter of 2016/17. Implementation of the new integrated system commenced in March 2017 in 83 targeted sites.

Data Capturers: Data Capturers were appointed (funded through the HIV/TB Conditional Grant) and deployed in clinics and hospitals in Amajuba, Uthukela, Umzinyathi, Umgungundlovu, Umkhanyakude and Harry Gwala Districts to maintain routine data systems i.e. DHIS, TIER.net and ETR.net.

Hospital Information System: The lack of an effective hospital information system remains a challenge with serious implications for quality of data. The Meditech full package of modules is available in IALCH, Addington and King Dinuzulu Hospitals, and the billing module in Greys, Vryheid, Newcastle, Dundee, Ladysmith and RK Khan Hospitals. The Proc-Lin system is used at St Aidens and King Edward Vlll Hospitals, and the Track System at McCords Hospital. Other hospitals are dependent on manual systems for clinical services. Table 10 illustrates broadband availability.

Table 10: Broadband availability

Facilities	128K	256K	512K	1MB	2MB	4MB	6MB	10MB	100MB
Hospitals	6	0	3	29	31	1	0	2	0
CHCs	0	1	14	5	1	0	1	0	0
Clinics	0	0	151	0	0	0	0	0	0
Total	**6**	**1**	**168**	**34**	**32**	**1**	**1**	**2**	**0**

Orthotic and Prosthetic Services

There is a need to expand the Orthotic and Prosthetic service platform to an additional 2 decentralised sites (Ladysmith and Ngwelezana) to improve access to services. Due to financial limitations it was not possible during the year under review. Additional equipment was however procured for the 2 existing sites in eThekwini and Pietermaritzburg, which expand the capacity for outreach services. The proposed Ngwelezana site is in the planning and design phase and in the U-AMP for the next MTEF.

PHC Re-engineering

The PHC headcount decreased with 5% (1 544 873); under-5 headcount with 4.6% (237 357); and PHC patients who entered the health system at hospital level (unreferred outpatient headcount) with 2% (14 718). All districts reported a decrease in headcounts varying between 2% in Zululand and 11.5% in Ugu. The decrease is broadly linked with the expansion of community-based health services, although there is still a discord between community-based increase and PHC decrease in some districts.

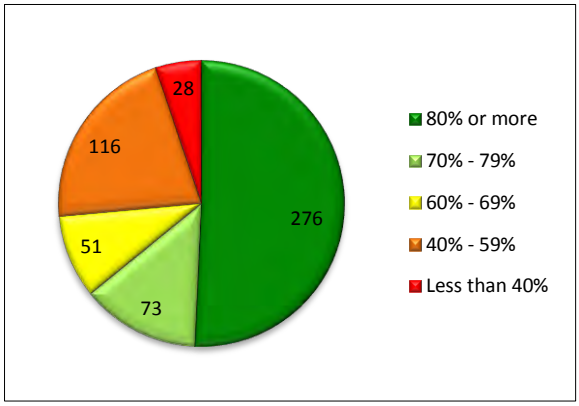
Of PHC services, 63% are rendered at fixed clinics; 12% at CHCs; 7% at mobile services (7 new mobile vehicles procured in 2016/17); and 18% outside formal PHC services. The proportion of PHC clients accessing health services outside fixed PHC facilities include 10% accessing the Centralised Chronic Medicine Dispensing and Distribution (CCMDD) programme; 74% receiving services through outreach teams (Outreach Households); 5% accessing services at Phila Mntwana Centres; and 11% accessing PHC services at outpatient departments (not referred).

During 2016/17, a total of 6 110 348 clients accessed health services at community level. During the same time, 9 924 CCGs rendered community-based services supported by 497 CCG Supervisors; a total of 651 894 households were visited; 619 020 patients received their chronic medication through 606 community-based distribution points; 107 234 learners were screened for health conditions through the School Health Programme, and 1 161 Phila Mntwana Centres were operational of which 346 were located in War Rooms and 461 in Early Child Development (ECD) Centres. A total of 422 454 children have been seen at these Centres and 8 295 were referred for further management at fixed facilities. A total of 17 schools were accredited as Health Promoting Schools in partnership with the Department of Education, with regular follow-up visits to ensure sustainability of the 5 key action areas namely skills, policies, environment, community participation and services.

Ideal Clinic Programme

According to the March 2017 National Ideal Clinic Report, the Provincial average Ideal Clinic score was 73.8%, ranging between 62% in Harry Gwala District and 89% in Umzinyathi District. Ilembe, Zululand, King Cetshwayo, Harry Gwala, Ugu, Umkhanyakude and eThekwini scored less than the Provincial average.

Graph 1: Ideal Clinic scores - March 2017 (DHIS)



Of the 544 clinics that conducted self-assessments, 306 achieved Ideal Clinic status i.e. Silver (104 or 33.9%); Gold (180 or 88.5%); and Platinum (22 or 7.2%). A total of 144 (26.5%) clinics scored less than 59% and have been targeted to improve compliance.

The highest scores were obtained for the components of Medicines, Supplies & Laboratory Services (83%); followed by Human Resources (81%). The lowest score were obtained for Health System Support (64%).

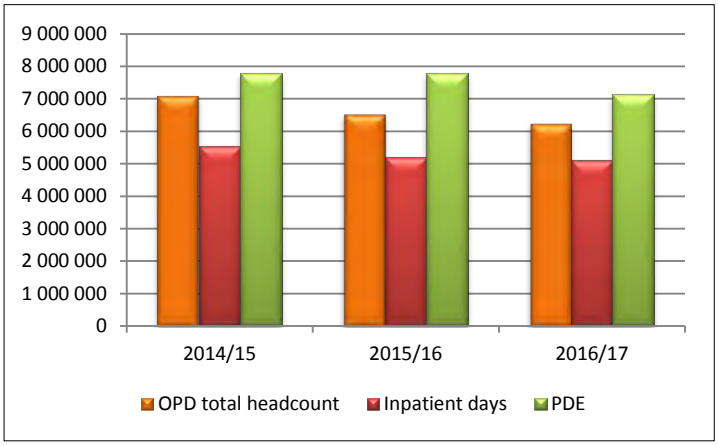
The vital elements with the highest failure rates were (1) Restoration of the emergency trolley daily or every time after use (46%); and (2) Resuscitation room equipped with functional basic equipment and resuscitation (40%). The elements with the lowest failure rate were (1) Sharp containers are disposed of when they reach the limit (1%); and (2) Sharps are disposed of in impenetrable tamperproof containers (1%).

Hospital Services

High vacancy and turn-over rates for especially Clinical Specialists (30.9% and 18.5%), Medical Officers (15% and 25.8%), and Professional Nurses (11.9% and 6.9%) affected expansion and sustainability of clinical services. Services at Regional, Specialised, Tertiary and Central Hospitals were especially affected by the high vacancy rates and delays in filling of posts as a result of fiscal pressures.

Between 2014/15 and 2016/17, a decreasing trend in admissions per 1000 population has been noted for District Hospitals (33.5 to 29.6), Regional Hospitals (28.0 to 23.6), and Central Hospital (2.3 to 0.86). Admissions however increased in Tertiary Hospitals (2.3 to 4.4), Specialised TB Hospitals (0.19 to 1.38), and Specialised Psychiatric Hospitals (0.37 to 0.86).

Graph 2: Trends in hospital patient footprint (DHIS)

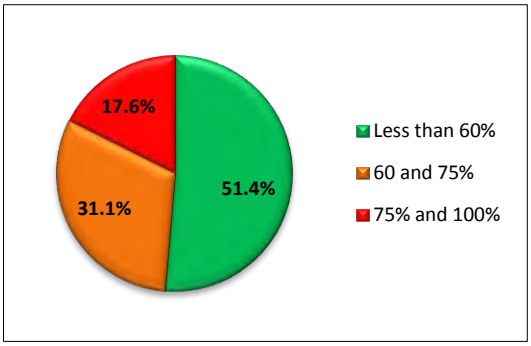


Graph 2 illustrates the three year trends in hospital patient footprint since 2014/15. Between 2015/16 and 2016/17, the OPD headcount decreased with 4.3%, inpatient days with 1.5% and patient day equivalent with 8.2%.

The OPD headcount not referred (patients accessing PHC services at hospital level) showed a significant decrease of 177 347 (19.7%) since 2014/15 which is considered a positive trend and indicating a shift towards clients entering the public health system at the appropriate level of care.

Low bed utilisation, ranging between 15.2% and 97.1%, remains a serious challenge. *A Hospital Efficiency Assessment Study commenced in late 2016/17 with the aim to identify hospital inefficiencies and best practices to inform the Hospital Rationalisation Plan.*

Graph 3: Total bed utilisation rate (DHIS)



Graph 3 reflects the total 2016/17 bed utilisation rates (all categories hospitals). Utilisation rates of Regional and Tertiary Hospitals are high with 84.6% (11/13) and 100% (3/3) reporting utilisation rates of more than 76%. This however raised a concern taking into consideration the high vacancy rates in critical positions in some hospitals e.g. 30.9% for Specialists and 15% for Medical Officers.

Utilisation rates of District and Specialised Hospitals is low with 68.4% and 47.4% reporting utilisation rates below 60%. Only 2 (5.3%) District Hospitals, 2 (33.3%) Psychiatric Hospitals, and 1 (50%) Chronic Hospital reported utilisation rates of 75% and more. The relationship between average length of stay, utilisation, availability of resources and expenditure trends is being explored as part of the Hospital Efficiency Assessment Study.

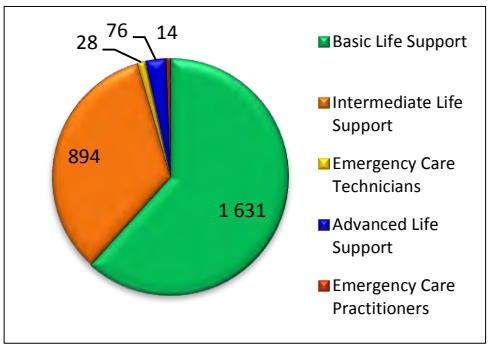
Emergency Medical Services

Priority 1 emergency calls in urban areas increased slightly with 84 and in rural areas decreased significantly with 19 343 calls. Response times increased very slightly in urban areas from 5% to 5.1% and in rural areas from 32% to 34.9%.

There is a year on year decrease in the number of daily operational ambulances, from 211 in 2013/14 to the current 180. The ambulance fleet is very old with 37% exceeding 250 000km on the meter. This significantly increases downtime for repairs, and decrease daily operational ambulances and emergency response times. Due to the ageing fleet, new ambulances basically replace old ambulances with no positive growth/ increase in the number of daily operational ambulances.

Air Mercy Services (AMS) responded to 627 emergency calls in 2016/17, with approximately 71% of these calls from the Umkhanyakude, King Cetshwayo and Zululand Districts.

Graph 4: EMS skills mix - 2016/17

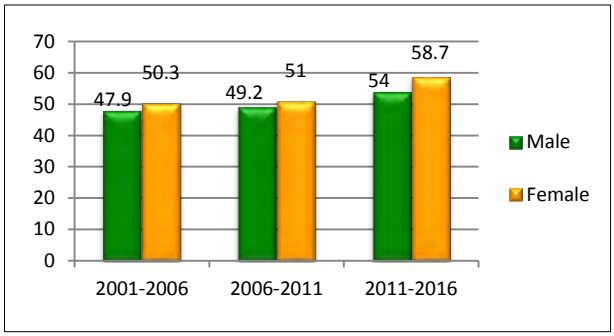


There are a total of 2 643 operational EMS staff, with the staff mix indicated in Graph 4. Operational staff is covering services in emergency operations, communication centres and patient transport services. As a result, the staff to ambulance ratio is 8:1 compared to the national norm of 10:1.

The Planned Patient Transport (PPT) Hub System has been introduced in Empangeni, eThekwini, Pietermaritzburg and Ladysmith to improve coordination of PPT services. Output is being monitored to determine efficiency gains.

Strategic Goal 2: Reduce the burden of Disease

Graph 5: Life expectancy at birth



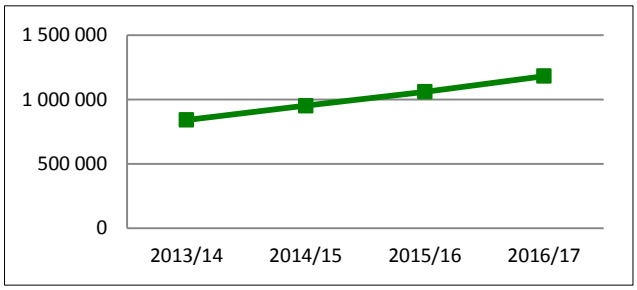
According to Stats SA 2016 mid-year estimates, the life expectancy in KZN is increasing year on year (Graph 5).

This is in line with successes in the HIV programme including the significant increase in the number of patients on ART and reduction in mother to child transmission of HIV over the last 4 years.

HIV, AIDS and Sexually Transmitted Infections (STIs)

According to 2016 estimates[7], the HIV incidence in KZN decreased from 0.78% to 0.71%. The cohort with the highest incidence rate is females aged 15-24 (2.55%) compared with 0.86% for males in the same age group. The HIV prevalence remained stable at 18%; with the highest prevalence rate for both males and females in the cohorts 25 years and older (25.8% and 33.8% respectively).

Graph 6: Clients remaining on ART (DHIS)



The number of people remaining on ART increased with 40.6% between 2013/14 and 2016/17 (Graph 6), with a total of 1 181 691 patients (1 129 314 adults and 52 377 children) remaining on ART at the end of March 2017.

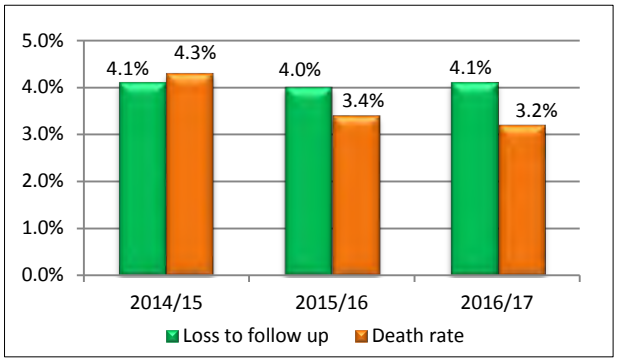
Numerous prevention programmes have been scaled up and sustained at community and facility levels including the Unfinished Business Project; Hlola Manje Zivikele campaign; Dreams project in partnership with PEPFAR, Gates Foundation and Nike Foundation to reduce HIV infections among adolescent girls and

[7] http://www.thembisa.org/downloads

young women; the universal test and treat strategy; and dual protection strategy including the She Conquers programme targeting young women and girls to reduce unwanted pregnancies and reduce new HIV and STI infections. Services at Institutions of Higher Education were expanded in partnership with HEAids (Higher Education HIV and AIDS Programme) to increase access to prevention and treatment of HIV.

Tuberculosis

Graph 7: TB lost to follow up and death rate



Between 2015 and 2016, new detected TB cases decreased from 642.5/100 000 population to 511.3/ 100 000 population.[8]

Between 2015/16 and 2016/17, the TB new client treatment success rate increased with 5% (88.7%); and the TB cure rate with 5.4% (84.1%). Improved TB outcomes are illustrated in Graph 7.

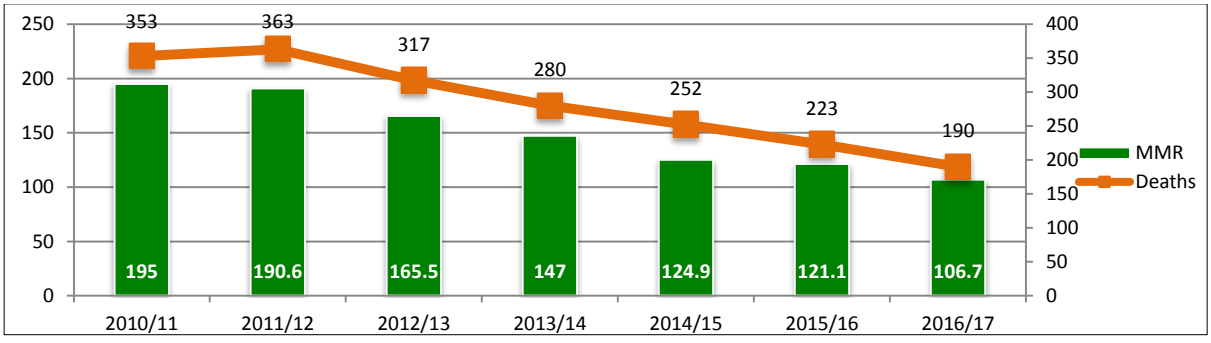
The Department expanded integrated patient centered care, focusing on TB screening and management at community and facility levels. At the end of March 2017, a total of 4 744 233 people were screened at facility level and 180 026 at community level. During the year under review, a total of 2 904 MDR-TB patients started on treatment and 2 185 successfully completed treatment.

The TB programme at Correctional Facilities gained momentum and all inmates are screened and X-rayed on admission and 6 monthly or annually depending on the duration of stay. Inmates with TB are treated and isolated where feasible.

Maternal, Child and Women's Health

Maternal deaths in public health facilities show a consistent decline since 2011/12 (Graph 8). During the same period, the antenatal visits before 20 weeks rate increased with 71.2% (41% to 70.2%) partly attributed to increased community-based pregnancy testing by CCGs to improve early referral and booking for antenatal care. The postnatal visits within 6 days rate increased with 15% (58.1% to 66.8%).

Graph 8: Maternal mortality in facility ratio (DHIS)



[8] National & Provincial TB database

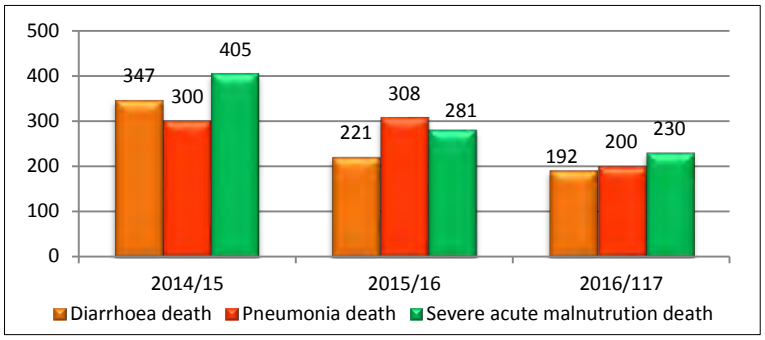
Other initiatives that contributed to the reduction of maternal deaths included robust implementation and monitoring of the Partogram Quality Improvement Programme in labour wards; up-skilling of staff through training in Essential Steps in the Management of Obstetric Emergencies and integrated management of TB and HIV in pregnancies; campaigns against illegal abortions to reduce maternal deaths from septic abortions; and increasing access to ARVs for eligible pregnant women.

Significant progress has been made towards the reduction of neonatal and child mortality. Phila Mntwana Centres, focusing on health promotion, disease prevention, and enhanced access to social relief packages through intra-departmental linkages, increased from 1 098 to 1 161, with 461 of Centres operating in Early Child Development (ECD) sites and 346 operating in OSS War Rooms. A total number of 422 454 children were screened for malnutrition, TB, HIV, immunisation and physical and psychological development, and 8 295 referred for further management. Intensified implementation of Integrated Management of Childhood Illness (IMCI) ensured that children are treated early to prevent hospitalisation; accreditation of neonatal wards and alignment of hospital quality improvement plans to Recommendations of the National Committee on Morbidity and Mortality (CoMMIC) in children under-5 all contributed to improved outcomes.

Since 2014/15, inpatient neonatal deaths decreased with 700 (26.4%); inpatient deaths under 1 year decreased with 964 (25.4%); and inpatient under 5 deaths decreased with 1 461 (30.5%).

During the same period, a significant decrease has been reported for the under-5 year incidence of pneumonia (86.1/1000 to 58.0/1000) and severe acute malnutrition (6.3/1000 to 4.6/1000). The diarrhoea with dehydration incidence however increased from 11.7/1000 to 12.5/1000.

Graph 9: Diarrhoea, pneumonia and severe acute malnutrition deaths



Since 2014/15, diarrhoea, pneumonia and severe acute malnutrition (SAM) deaths decreased with 44.7%, 33.3% and 43.2% respectively (Graph 9).

The number of children under the age of 1 year that was fully immunised (189 516) is lower than expected and strategies will be reviewed to improve performance.

Non-Communicable Diseases

Since 2014/15, the number of new diabetes and hypertension patients reporting at public health services increased with 75.6% (12 892) and 19.4% (9 471) respectively. The increase is attributed to vigorous screening programmes at community and facility level to ensure early detection/ diagnosis and appropriate management of non-communicable diseases. Implementation of the 90-90-90 strategy and integrated healthy lifestyle programmes further improved prevention and treatment programmes.

Implementation of mental health programmes, including substance abuse programmes, was prioritised and actively monitored during the year under review. High vacancy rates of Specialists and Specialised Mental Health Nurses however remain a serious concern especially taking into account fiscal constraints and impact on the filling of vacant posts. Consultation for the rationalisation of specialised psychiatric services commenced as part of the Hospital Rationalisation Plan.

Strategic Goal 3: Universal Health Coverage

Health Facilities Management

Various Units within the Department have input towards development of the User Asset Management Plan (U-AMP), Infrastructure Programme Management Plan (IPMP), and Annual Implementation Plan (AIP). All plans have been costed to ensure effective management and compliance with the Public Finance Management Act (PFMA) imperatives. The Department used the Department of Public Works as Implementing Agent of choice.

The 2016/17 AIP focused on the following main priorities:

- Construction of the new 500-bed Dr Pixley ka Isaka Seme Regional Hospital in the KwaMashu, Inanda, Ntuzuma INK area – due for completion in June 2019.
- Construction of Ngwelezana Tertiary Hospital new 192-bed Surgical Wards - due for completion in August 2017.
- Construction of a Maternity Block at the Stanger Regional Hospital - due for completion in August 2017. *The contractor on this project is not performing well and the project may therefore finish later than the contractual completion date.*
- Construction of the new Jozini CHC - due for commissioning in September 2017.
- Commissioning of the completed Usuthu replacement clinic.
- Other major refurbishment and upgrading projects were at Madadeni Regional Hospital, King Edward VIII Tertiary Hospital, Charles Johnson Memorial District Hospital and Mbongolwane District Hospital.
- The Department replaced lifts at Addington, Stanger, Eshowe, Vryheid, and Charles Johnson Memorial Hospitals, and RK Khan and Northdale Nursing Residences.
- New autoclaves were commissioned in 6 hospitals namely Ngwelezana, Nkandla, Osindisweni, McCords, RK Khan and Wentworth.
- Standby generators were commissioned in 10 hospitals and one CHC namely Appelsbosch, Bethesda, Catherine Booth, Dunstan Farrell, EG & Usher Memorial, Hlabisa, Mseleni, St Andrews, Townhill and Umzimkhulu Hospitals and Imbalenhle CHC.
- Maintenance was prioritised with a budget allocation of R300 million, which catered for both preventative and corrective maintenance. Due to the negative impact of drought, institutions used a portion of this budget to install 20kl water storage tanks in some clinics.

In-house capacity: The Department has accelerated the appointment of built environment professionals at Head Office, with the aim to build capacity in order to improve infrastructure planning, oversight on project implementation and maintenance. At the end of the year under review, 76% of the Head Office Infrastructure posts were filled (17 appointments during the year) of which 39% incumbents are women. The Department appointed 8 young graduates who are undergoing mentorship under the supervision of chief professionals. The graduates are in the fields of Electrical and Mechanical Engineering, Quantity Surveying, Project Management and Architecture. Table 11 shows the progress made in filling of Infrastructure posts.

Table 11: Infrastructure post status

Post	Posts Available	Posts Filled	% filled	Females Appointed	% Females	Blacks Appointed	% Black
Chief Directors	2	2	100%	0	0%	1	50%
Directors	4	4	100%	2	50%	3	75%
Chief Quantity Surveyors	2	2	100%	1	50%	2	100%
Chief Project Managers	1	1	100%	1	100%	1	100%

Post	Posts Available	Posts Filled	% filled	Females Appointed	% Females	Blacks Appointed	% Black
Chief Architects	3	3	100%	2	67%	0	0%
Chief Engineers	6	6	100%	0	0%	4	67%
Quantity Surveyors	3	2	66%	1	33%	2	66%
Project Managers	1	0	0%	0	0%	0	0%
Architects	3	1	33%	2	66%	2	100%
Engineers	5	0	0%	0	0%	0	0%
Candidates	4	4	100%	1	25%	4	100%
Deputy Directors	8	7	88%	2	29%	7	100%
Assistant Directors	2	2	100%	1	50%	2	100%
Control Engineering Technician	1	1	100%	0	0%	1	100%
Engineering Technician	2	1	100%	0	0%	1	100%
Chief Works Inspector	1	1	100%	1	100%	1	100%
Works Inspector	2	1	100%	1	100%	1	100%
Total	**50**	**38**	**76%**	**15**	**39%**	**32**	**84%**

The Department identified unused buildings next to the King Dinuzulu Hospital for the establishment of the eThekwini Maintenance Hub Workshop. Buildings require major refurbishment, and the Department of Public Works are at the planning stage for refurbishment. The Department deployed 4 members from Head Office, led by the Chief Engineer, to start preparatory work for the Hub. It is anticipated that the concept document for this Hub will be finalised in 2017/18 and staged implementation is planned for April 2018.

During 2016/17, the Department conducted condition audits on Ekhombe Hospital and 7 clinics. Audits were used to prioritise backlog maintenance for the 2017/18 AIP; assisted new officials to familiarise themselves with the Departmental infrastructure asset base; and to facilitate teamwork amongst various disciplines. Audits will be conducted every year to improve the knowledge base of infrastructure assets and improve the asset register information.

National Health Insurance

As part of strengthening health systems effectiveness, the Department commenced with the development of an ePHC system strategy to improve the quality of health information management. The implementation of the Health Patient Registration System is being rolled out to an additional 5 districts (eThekwini, Ugu, Ilembe, Uthukela and King Cetshwayo) with 1 122 262 registered patients on the system.

There are currently 61 General Practitioners and 82 Pharmacy Assistants contracted in the National Health Insurance (NHI) Districts to provide PHC services at PHC level. That is improving access to services at entry point of the public health system.

Capacity development during the reporting year includes:

- Capacity development and mentorship training by Khanyanjalo Consulting: 91 Managers.
- Ward Based Outreach and School Health by the University of Pretoria: 271 Managers.
- Albertina Sisulu Executive Leadership Programme in Health: 43 Senior Managers.

- Transformational Leadership by Spark Health: 110 Managers.

Strategic Goal 4: Strengthen Human Resources for Health

There are 69 924 employees in the Department of which 91.9% are employed on a permanent basis and the rest on contract (including interns, community service personnel and student/pupil nurses).

- Gender: 72% female and 28% male.
- Race: 86% African; 2% White, 2% Coloured and 10% Indian.
- Senior Management: 42% of Senior Management positions held by females.
- Disability: 406 (0.58%) of the workforce are classified as disabled.
- Age profile: Under 25 years (3.67%); aged 25 to 40 years (45.98%); aged 41 to 55 years (39.54%); aged 56 to 60 years (7.79); aged 61 to 65 years (2.96%); and over 65 years (0.06%).

Turnover rate: Decreased from 7.4% (2015/16) to 7.1% in 2016/17, with the highest turnover rates recorded for Allied Health Workers followed by Medical Practitioners (25.84%).

Vacancy rate: High vacancy rates remain a serious concern and due to over expenditure on the Compensation of Employees budget during 2016/17, a significant proportion of vacant critical posts could not be filled. The total vacancy rate was 11.59% with the highest vacancy rates for Allied Health Workers followed by Medical Specialists (30.85%).

Chief Executive Officer (CEO) Posts: 13 CEO posts were vacant as at 31 March 2017.

Personnel per 100 000 population: The Department has 27.8 Medical Officers per 100 000 population; 160.7 Professional Nurses per 100 000 population and 7.9 Pharmacist per 100 000 population. It is still a challenge to attract and retain Medical Officers (turnover rate of 25.84%) in especially more rural areas. It is anticipated that the placement of bursary holders and Medical Officers that participated in the Cuban training programme will ease pressures, provided adequate allocation of budget for Compensation of Employees in the next MTEF.

Management Performance: The Management Performance Assessment Tool (MPAT) Improvement Plans (MPAT 1.4) were developed in consultation with Managers and submitted to the Office of the Premier (OTP). Progress on the improvement plans are monitored quarterly.

Nurse Training: Due to financial constraints as well as the agreement with Mpumalanga, Kwazulu-Natal College of Nursing (KZNCN) bursary intake has been drastically reduced with only one intake annually.

- A total of 1 501 nurses graduated from KZNCN in 2016/17. To provide for the gap in specialised nursing, a total of 321 Clinical Specialists, 54 Advanced Midwifes and 173 PHC nurses (from UKZN) completed training for absorption into the system.
- A total of 205 students were registered for the R425 programme, of which 108 were bursaries, 15 in-service learners and 82 Mpumalanga learners.
- Community service and service obligation placements for all bursary obligation students of the KZNCN were successfully done in all gazetted institutions.

Learner-ships and Internship: A total of 115 Health and Welfare Sector Education and Training Authority (HWSETA) funded graduates have been placed in various health establishments receiving a monthly stipend of R 5 000.

- 116 Technical Vocational Educational and Training (TVET) PSETA funded learners in the Artisan Programme have been placed in various health establishments.
- 57 HWSETA funded Dentals Assistant and Oral Hygiene Interns, placed for work experience, completed their internship in June 2016.
- 15 HWSETA funded Social Work and Environmental Health Interns completed in November 2016.
- 39 HWSETA funded TVET learners commenced with a one year experiential training programme in February 2017.
- 25 HWSETA funded learners commenced with the two year nursing bridging programme in January 2017.
- The Department has entered into a Memorandum of Agreement with Africa Mayibuye Leadership PTY (LTD) for the funding of 200 TVET learners placed in various health institutions. Learners receive a monthly stipend of R 1 800 for a period of 18 months.
- 50 TVET learners, placed at various health facilities, receive a monthly stipend of R 1 500 for the next eighteen months funded under the agreement entered with LNM Rise PTY LTD.
- 51 TVET learners have signed with Libalel Enterprise receiving a monthly stipend of R 1 500 and are placed in various health facilities.

Other Training: 100 Employees, inclusive of 60 CCGs and 40 Lay Counsellors have completed training through UKZN Extended Learning and are awaiting translation to Health Promotion Assistants. The challenge is to absorb these students taking into consideration the current funding envelope.

- 599 Employees were trained in Sign Language in 2016/17. The planned target (220) was exceeded as additional funding was sourced from a Non-Governmental Organisation (NGO) partner and the HWSETA.
- Mentoring for Growth for Women Managers training was conducted during the 4th quarter of 2016/17 for 25 women in Management as part of the Department's commitment to women empowerment.

Registrar Training: 298 Registrars were on the programme as at the end of March 2017. Out of the 298, 15 were supposed to have exited the programme, 8 are waiting to be transferred into posts, and 7 had not accepted job offers and had to be terminated from the system.

Mid-Level Worker Training: A total of 113 Clinical Associates, funded under the bursary programme, are in training through the Walter Sisulu University and University of Pretoria. A total of 44 completed training in 2016 and were placed in various health facilities in January 2017.

- 42 Occupational Therapy Assistants completed their training and were translated to Occupational Therapy Technicians.

Medical Officer and Health Professionals Training: There are currently 720 medical students in the Cuban training programme, and 664 South African bursary holders studying for various health sciences qualifications. A further 16 bursaries (numbers were reduced due to financial constraints) were awarded for first year medical students in 2016/17.

Diversity Management: The Department engaged with the Umgungundlovu TVET to develop learner-ships targeting people with disabilities to increase the skills pool for people with disabilities. Partnerships are also being formed with Disabled Peoples' Organisations with the objective to establish a comprehensive database for suitably qualified Persons with Disabilities that may take up employment in the Department.

Labour Relations: The Department is actively involved in collective bargaining at the Public Health and Social Development Sectoral Bargaining Council (PHSDSBC), Provincial Chamber and Provincial Labour Relations Forum, and monitors the activities of Institutional Management and Labour Committees (IMLCs). Labour Relations Officials from district offices and hospitals completed a course on Presiding and Investigation

facilitated by the Commission for Conciliation, Mediation and Arbitration (CCMA) to improve case management. Additionally, the Department has improved on timeous finalisation of disciplinary cases. Intervention of training more Investigating Officers and Presiding Officers has been done in order to extend the pool. The training was conducted by the Office of the Premier from 27 to 31 March 2017.

Management Training: The following Management courses were attended by Managers to improve leadership and management.

- Mentoring for Growth – 28 Female Managers.
- Leadership Course for Middle Managers – 32 Managers.
- Disability Management in the Public Service – 72 Managers.
- Project Khaedu Methods and Perspectives – 24 Managers.
- Project Khaedu Field Assignment – 24 Managers.
- Effective Management Principles for Junior Management – 43 Managers.
- Financial Management for Non-financial Managers – 14 Senior Managers.
- Project Management Course – 20 Managers.
- Ethics and values for Managers – 2 Managers.
- Albertina Sisulu Executive and Leadership Programme for Health (ASELPH) – 28 Senior Managers.

The Department is negotiating with the National School of Government and KZN Public Service Academy to restructure the Management and Leadership Programmes to improve attendance of Senior Management e.g. block released, tele/videoconferencing, developing and utilizing e-learning facilities that can be offered online to reduce travelling times.

Strategic Goal 5: Improve quality of care

National Core Standards

Although all facilities implement the National Core Standards (NCSs), self-assessments and the development of QIPs remain poor. Only 4 hospitals complied with all extreme measures and at least 90% of the vital measures of the NCSs during the period under review. A structured Quality Assurance strategy is being developed to address challenges.

Infection Prevention and Control (IPC)

Review of IPC Policies and Guidelines were prioritised in 2016/17. Reviewed the Provincial IPC Policy (awaiting approval); KZN IPC Guidelines to ensure compliance to the NCS; Viral Haemorrhagic Fevers (VHF) Policy in collaboration with Communicable Disease Control (CDC) and the Department of Virology; and the Decontamination Policy has been drafted and circulated for comments.

All IPC practitioners have been trained on surveillance of healthcare associated infections and outbreak response. A real time surveillance tool was instituted in 2016/17 to improve data on healthcare associated infections; serve as an early warning system for outbreaks; monitors turnaround time for results; and improve stewardship programmes.

Hospital Outbreaks: Six probable outbreaks have been reported. After assessment of the clinical data and microbiological and epidemiology profiling only four were deemed probable cases and investigated further.

The early warning system coupled with rapid outbreak response resulted in control of the outbreak and prevention of further morbidity and mortality.

Nosocomial transmission of TB in facilities remains a major concern partly due to non-compliance with infrastructure standards. The Department focussed on cough triage at the point of entry; fast tracking patients with symptoms of PTB; open window policy to ensure air changes; and use of personal protective equipment.

Transfer Payments

Transfer Payments to all Organisations other than Public Entities.

Table 12: Transfer payments for the period 1 April 2016 to 31 March 2017

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the Department comply with s38(1)(j) of the PFMA	Amount transferred R'000	Amount spent by the Entity R'000	Reasons for funds unspent by the Entity
Department of Health.	eThekwini Municipality – Personal Health Services.	To subsidise the provision of PHC for personal health services at Local Government (Municipal) clinics.	Yes	R 40 000	R 40 000	Payments made on a claim back basis as per Service Level Agreement.

Table 13: Transfer payments budgeted for period 1 April 2016 to 31 March 2017

Name of transferee	Type of organisation	Purpose for which the funds were to be used	Amount budgeted for R'000	Amount transferred R'000	Reasons why funds were not transferred
Department of Health.	eThekwini Metro.	To subsidise the provision of PHC for personal health services at Municipal clinics.	R 1 547 450	R 40 000	Verification processes of claims were not complete at financial year end.

Conditional Grants

Table 14: NHI Conditional Grant – Amajuba District

Name of the Grant	National Health Insurance Grant: Amajuba District
Department who transferred the Grant	• National Department of Health.
Purpose of the Grant	• To test innovations in health service delivery in preparation for implementing NHI. • To make provision for districts to interpret and design innovations relevant to its specific context and in line with the vision for realising universal health coverage for all. • To undertake health system strengthening activities in identified focus areas. • To assess the effectiveness of interventions and/or activities undertaken in the district and funded through this Grant.
Expected outputs of the Grant	• Selected PHC Team equipped to provide relevant health services through integrated outreach programmes. • Selected PHC facilities supported to comply with NCSs as part of the ICRM Programme. • Monitoring and evaluation, including impact assessment, undertaken to measure the effectiveness of selected PHC teams. • Compliance with monitoring and evaluation of targets in Operational Plans. • Impact assessments of all pilot interventions undertaken.
Actual outputs achieved	• Continued with the contract of one Deputy Manager: NHI Monitoring & Evaluation. • Conducted 12 NHI stakeholder consultation workshops. • Use of information for action through reorganised work culture. • Equipped CCGs with digital pens for collection of community-based data. • Implemented the jump bag solution for Ward Based Outreach Teams (WBOTs). • Completed capacity building and mentorship programmes for municipal ward-based service providers as part of capacitation of outreach teams in focal areas. • Hosted a graduation ceremony for WBOTs graduating from the capacity building project. • Developed and distributed the Amajuba District Orientation Booklet relating to organisational awareness and NHI. • Developed and distributed the Amajuba District Policy file to all PHC facilities. • Conducted ICRM peer review assessments for clinics to improve accreditation as Ideal Clinics. • Distributed SCM files, Standard Operating Procedures (SOPs) and Policies for all facilities.
Amount per amended DORA	R 5 030 000
Amount received	R 5 030 000
Reasons if amount as per DORA was not received	N/A
Amount spent by the Department	R 2 466 489
Reasons for the funds unspent by the Entity	• SCM process delays: Procurement of generators not finalised in 2016/17. • SCM process delays: Procurement of CCTV cameras not finalised in 2016/17.
Reasons for deviations on performance	• The procurement of generators was not finalised in 2016/17. • The procurement of the CCTV cameras was not finalised in 2016/17.
Measures taken to improve performance	• Savings were surrendered to Head Office for the procurement of vehicles for WBOTs and PHC Supervision. • SCM processes and efficiencies are being attended to at Head Office level.
Monitoring mechanism by the receiving Department	• Quarterly M&E meetings take place with National Department of Health to assess progress and evaluate outcomes.

Table 15: NHI Conditional Grant – Umgungundlovu District

Name of the Grant	National Health Insurance: Umgungundlovu District
Department who transferred the Grant	• National Department of Health.
Purpose of the Grant	• To test innovations in health service delivery in preparation for implementing NHI. • To make provision for districts to interpret and design innovations relevant to its specific context and in line with the vision for realising universal health coverage for all. • To undertake health system strengthening activities in identified focus areas. • To assess the effectiveness of interventions and/or activities undertaken in the district and funded through this Grant.
Expected outputs of the Grant	• Selected PHC Teams equipped to provide relevant health services through integrated outreach programmes. • Selected PHC facilities supported to comply with the NCSs as part of the ICRM Project. • M&E and impact assessment on the effectiveness of selected PHC teams. • SCM processes strengthened and streamlined through innovative interventions. • Compliance with M&E targets in operational plans. • Impact assessment of all pilot interventions undertaken.
Actual outputs achieved	• Appointed District NHI Project Manager. • Seven stakeholder engagement workshops conducted in the 6 Local Municipalities. • Procured signage and medical equipment for ICRM. • Network connectivity rolled out to PHC clinics. • Impact assessment on PC101 completed at Efaye and Phatheni Clinics. • Impact assessment on the installed queuing system finalised. • Electronic Queuing System installed in 15 PHC clinics.
Amount per amended DORA	R 5 030 000 (Conditional Grant) plus R 4 000 000 (Rollover Fund)
Amount received	R 9 030 000
Reasons if amount as per DORA was not received	N/A
Amount spent by the Department	R 5 373 176
Reasons for the funds unspent by the Entity	• Procurement of 3 mobile square caravans not finalised. • Submission for procuring ultrasound machines was not approved. • Impact assessment for the digital pen system was not conducted. • The Treasury Cost Cutting Policy (Austerity Measures) affected budgeted activities for the stakeholder engagement workshops.
Reasons for deviations on performance	• No deviations on performance occurred apart of delays with procurement. • Expenditure was only on the activities that are in the approved Business Plan.
Measures taken to improve performance	• Service provider engaged to finalise the documentation of NHI activities and initiatives. • Digital A2 Registers have been received - digital pen system is being implemented.
Monitoring mechanism by the receiving Department	• Monthly expenditure review reports from BAS and Vulindlela. • Monthly NHI variance reports. • Quarterly monitoring reports. • Quarterly review meetings convened by the National Department of Health. • Annual Performance Review Report.

Table 16: NHI Conditional Grant – Umzinyathi District

Name of the Grant	National Health Insurance: Umzinyathi District
Department who transferred the Grant	• National Department of Health.
Purpose of the Grant	• To test innovations in health service delivery in preparation for implementing NHI. • To make provision for districts to interpret and design innovations relevant to its specific context and in line with the vision for realising universal health coverage for all. • To undertake health system strengthening activities in identified focus areas. • To assess the effectiveness of interventions and/or activities undertaken in the district and funded through this Grant.
Expected outputs of the Grant	• Selected PHC Teams equipped to provide relevant health services through integrated outreach programmes. • Selected PHC facilities supported to achieve the NCSs as part of the ICRM Programme.

Name of the Grant	National Health Insurance: Umzinyathi District
	• Monitoring and evaluation, including impact assessment, of the effectiveness of selected PHC Teams. • SCM processes strengthened and streamlined through innovative interventions. • Compliance with monitoring and evaluation of targets in operational plans. • Impact assessment of all pilot interventions undertaken.
Actual outputs achieved	• Equipment procured for PHC facilities to achieve Ideal clinic status including: – 41 Jump bags for outreach teams. – Brochure stands for 18 clinics. – Ramp and rails, and soap and toilet paper dispensers for 34 clinics. – Intercommunication system for 34 clinics. – Help desks for 51 clinics. – Wall clocks, water dispensers and mobile screens for 34 clinics. • Furniture for nurse residences at 25 clinics including beds, TV sets and cages, lounge suites, and fridges. • Consultative meetings with NGOs and other stakeholders conducted on 16 -17 February and 2 March 2017. Progress on NHI was discussed during CCMDD symposium. • Orientation on Leadership and Management conducted for all PHC Facility Managers, PHC Supervisors and some WBOT and SHT leaders. • Internet connectivity by FastNet in 54 PHC clinics.
Amount per amended DORA	R 5 031 000
Amount received	R 5 031 000
Reasons if amount as per DORA was not received	N/A
Amount spent by the Department	R 3 664 329
Reasons for the funds unspent by the Entity	• Community dialogues were not conducted due to SCM delays. Funds committed and service provider in the field.
Reasons for deviations on performance	• Not deviation on performance except delays with SCM processes.
Measures taken to improve performance	• Assessing turn-around spreadsheet on expected performance every Monday to respond to bottlenecks. • Bi-monthly meeting between District Office and Deputy Director General (DDG) NHI to resolve identified challenges.
Monitoring mechanism by the receiving Department	• Turn-around time spreadsheet to monitor processes. • Regular engagement with Head Office SCM to receive update on SCM processes. • Database to flag all procurement and orders using the robot colouring model.

Table 17: Comprehensive HIV and AIDS Grant

Name of the Grant	Comprehensive HIV / AIDS Grant		
Department who transferred the Grant	• National Department of Health.		
Purpose of the Grant	• To enable the Health Sector to develop and implement an effective response to HIV and AIDS including universal access to HIV Counselling and Testing (HCT). • To support the implementation of the National Operational Plan for comprehensive HIV and Aids treatment and care. • To subsidise in-part funding for the antiretroviral treatment programme.		
Expected outputs of the Grant and actual achievements.	**Indicators**	**Expected Outcomes**	**Actual Achievements**
	Number of facilities offering ART	686	682
	Number of new patients that started treatment on ART	171 515	245 839
	Number of patients on ART remaining in care	1 273 724	1 129 314
	Number of antenatal clients initiated on ART	50 000	38 215

Name of the Grant	Comprehensive HIV / AIDS Grant		
	Number of beneficiaries served by Home-Based Carers	1 099 080	1 784 918
	Number active Home-Based Carers receiving stipends	10 621	10 174
	Number of male condoms distributed	212 000 008	185 574 089
	Number of female condoms distributed	3 539 956	6 146 887
	Number of HTA intervention sites (cumulative)	298	441
	Number of HIV positive patients that started on IPT	331 716	117 339
	Number of active lay counsellors on stipends	2 254	1 874
	Number of clients tested for HIV (including antenatal)	2 659 268	3 167 664
	Number of health facilities offering MMC services	230	312
	Number of MMCs performed	187 618	122 132
	Number of babies PCR tested around 10 weeks	64 000	45 281
	Number of sexual assault cases offered ARV prophylaxis	8 800	4 597
	Number of Doctors trained on HIV/AIDS, STIs, TB and chronic diseases	602	328
	Number of Professional Nurses trained on HIV/AIDS, STIs, TB and chronic diseases	3 574	6 468
	Number of HIV positive clients screened for TB	305 816	1 910 483
Amount per amended DORA (R'000)	R4 244 243		
Amount received (R'000)	R4 244 243		
Reasons if amount as per DORA was not received	N/A		
Amount spent by the Department (R'000)	R4 247 525		
Reasons for the funds unspent by the entity	No under-spending.		
Reasons for deviations on performance	• All major cost driver performance indicators including ART, HTS and Condoms have reached 90% and above of performance targets. • The targeted number of male medical circumcisions were not met due to: – Unavailability of transport to take clients to MMC camps. – Mobilisation challenges at hospital level. – Shortage of doctors for MMC Roving Teams. – Performance at High and Low Volume Sites lower than expected due to reasons mentioned above.		
Measures taken to improve performance	• Contracting General Practitioners assist with MMCs. The process was finalised towards the end of Quarter 2 of the reporting year. • Engagement with facilities to motivate staff on the importance of mobilisation of clients for MMC.		
Monitoring mechanism by the receiving Department	• Provincial quarterly reviews on the HIV/AIDS Conditional Grant as well as performance information. • Conducted facility visits to ensure that challenges at facility level are being addressed timeously.		

Table 18: National Tertiary Services Grant

Name of the Grant	National Tertiary Services Grant
Department who transferred the Grant	• National Department of Health.
Purpose of the Grant	• To ensure the provision of tertiary health services for all South Africans. • To compensate tertiary facilities for additional costs associated with provision of tertiary services.
Expected outputs of the Grant	• Provision of designated Central and National Tertiary services in 4 hospitals/complexes as agreed between the Province and the National Departments of Health.
Actual outputs achieved	1. Tertiary package of services: • All hospitals complied with percentage of tertiary services provided based on the number of allocated tertiary beds i.e. IALCH (100%); Greys (80%); Ngwelezana (33%); and King Edward Vlll (50%). • Sustained the package of tertiary services with no expansion of new services due to budget constraints and decrease in NTSG allocations to Provinces. 2. Recruitment and retention of appropriately skilled and specialised health care professionals: • The following Specialists, Nurses and Allied Health Professional have been appointed during the year under review: – *King Edward Vlll (KEH):* Neonatal Professional Nurse (PN) Speciality (1); ICU High Care PN Speciality (1); Obstetrics & Gynaecology Medical Officers (2); Medical Specialist (1); Orthopaedic Medical Officers (2); Medical Specialists (2); Paediatrics Medical Officer (1); Surgery Medical Officer (1); Theatre PN Speciality (1); and Ear Nose & Throat Medical Officer (1). – *Ngwelezana:* General Surgery Head Clinical Unit (1); Medical Specialist (1); Internal Medicine Medical Specialist (1); Orthopaedics Head Clinical Unit (1); and Ear Nose & Throat Specialist (1). 3. Outreach programmes: • Provided support for the provision of high quality clinical care at outlying Regional Hospitals to improve access, appropriate referrals, and reduce patient waiting times to specialised services. • Sustained a two-way learning process in which multidisciplinary teams provide clinical programmes to enhance and develop clinical skills at Regional and selected District Hospitals. • Clinical Specialists provided various clinical outreach programmes to Port Shepstone, Addington, RK Khan, Mahatma Ghandi Memorial, and Edendale Hospitals. • Provided clinical services at selected District Hospitals including Northdale, Appelsbosch, Dundee, Church of Scotland, Charles Johnson Memorial, Vryheid, Emmaus, EG&Usher Memorial, Wentworth, King Dinuzulu, Eshowe and Nkandla Hospitals. • Due to the shortage of Specialists, in-reach and in-service training programmes were conducted at IALCH, Greys, KEH and Ngwelezana Hospitals. Ngwelezana Hospital depended on in-reach programmes from IALCH for especially Breast Oncology, Neurology, Nephrology, and Burns. • Used Telemedicine mainly for academic teaching and case discussions. • Challenges – Staff shortages put pressure on planned outreach activities and a number of outreach visits had to be cancelled as a result. – The month-to-month contract with Red Cross Air Mercy Service continues to contribute to the uncertainty and insecurity of the outreach service attached to it. – Due to staffing constraints, peripheral hospitals were unable to send doctors for in-reach training.
Amount per amended DORA (R'000)	R 1 596 286
Amount received (R'000)	R 1 596 286
Reasons if amount as per DORA was not received	Total Grant received.
Amount spent by the Department (R'000)	R 1 596 286
Reasons for the funds unspent by the entity	Total Grant spent.
Reasons for deviations on performance	N/A
Measures taken to improve performance	N/A

Name of the Grant	National Tertiary Services Grant
Monitoring mechanism by the receiving Department	• The Tertiary Services Programme Manager (TSPM) is responsible for monitoring Tertiary Services. • Hospital Business Plan Performance Indicators were co-designed with Executive Managers, Provincial Data Managers and Provincial Financial Managers. Indicators were aligned to the Conditional Grant, Schedule 4, DORA and PFMA prescripts. The TSPM facilitated the NTSG Service Delivery Plan which has integrated activities aligned to the National and Provincial strategic priorities for the delivery of Tertiary Services. • A monitoring framework is in place. Monthly expenditure reviews are conducted by the Provincial Budget Office and TSPM, and quarterly reports submitted for analyses and feedback to the Governance Structures i.e. Hospital Executive Management, MTEC Meetings and Extended Management meetings. • The service delivery outputs, budgeting process and expenditure reviews are monitored by Governance Teams. Quarterly and adhoc site visits and managing by walk- about were conducted. • Multidisciplinary teams conducted monthly clinical audits in all hospitals and hospital efficiency and quality indicators were reported on quarterly. • The Quality Management Teams monitored QIPs aligned to the NTSG Business Plans and reports were submitted to the TSPM. • All hospitals collected monthly clinical and financial data which were collated quarterly on monitoring reporting templates and forwarded to the TSPM.

Table 19: Social Sector EPWP Incentive Grant for Provinces

Name of the Grant	EPW Integrated Grant to Province
Department who transferred the Grant	• National Department of Public Works.
Purpose of the Grant	• To incentivise Provincial Departments to expand work creation efforts through the use of labour intensive delivery methods in the following identified focus areas, in compliance with the EPWP guidelines i.e. road maintenance and the maintenance of buildings.
Expected outputs of the Grant	• Maintenance of buildings as per U-AMP.
Actual outputs achieved	• As per DORA Report.
Amount per amended DORA (R'000)	R 7 122
Amount received (R'000)	R 7 122
Reasons if amount as per DORA was not received	N/A
Amount spent by the Department (R'000)	R 7 122
Reasons for the funds unspent by the Entity	• Grant fully spent.
Reasons for deviations on performance	N/A
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving Department	• Monthly reports from Institutions/ Districts and IRM reports.

Table 20: Social Sector EPWP Incentive Grant for Provinces

Name of the Grant	Social Sector EPWP Incentive Grant for Provinces
Department who transferred the Grant	• National Department of Public Works.
Purpose of the Grant	• To incentivise Provincial Social Sector Departments identified in the 2013 Social Sector EPWP Log-Frame to increase job creation by focusing on strengthening and expansion of social service programmes that have employment potential.
Expected outputs of the Grant	• 578 beneficiaries and work opportunities.
Actual outputs achieved	• 578 work opportunities created. • 138 720 beneficiaries received HCBC services.
Amount per amended DORA (R'000)	R 13 000
Amount received (R'000)	R 13 000
Reasons if amount as per DORA was not received	N/A
Amount spent by the Department (R'000)	R 13 000
Reasons for the funds unspent by the Entity	N/A
Reasons for deviations on performance	N/A
Measures taken to improve performance	• Monitor the monthly expenditure, confirming that the correct objective codes were used. • Site visits by District CCGs Coordinators and Provincial Manager.
Monitoring mechanism by the receiving Department	• Monitor the monthly expenditure, confirming that the correct objective codes were used. • Site visits by District CCGs Coordinators and Provincial Manager.

Table 21: Health Facility Revitalisation Grant

Name of the Grant	Health Facility Revitalisation Grant
Department who transferred the Grant	• National Department of Health.
Purpose of the Grant	• To help accelerate construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in health including health technology, organisational development systems and quality assurance. • To enhance capacity to deliver health infrastructure.
Expected outputs of the Grant	• Number of health facilities, planned, designed, constructed, equipped, operationalised and maintained.
Actual outputs achieved	• As per Dora Report.
Amount per amended DORA (R'000)	R 1 114 693
Amount received (R'000)	R 1 114 693
Reasons if amount as per DORA was not received	• Total budget received.
Amount spent by the Department (R'000)	R1 121 993
Reasons for the funds unspent by the Entity	• Budget fully spent.
Reasons for deviations on performance	N/A

Name of the Grant	Health Facility Revitalisation Grant
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving Department	• Monthly reports and meetings with Implementing Agents.

Donor Funds

Table 22: Donor funds received

Astra Zeneca (Astra Zeneca Pharm)	
Full amount of the funding	R 196 000
Period of the commitment	• Not specified.
Purpose of the funding	• Drug Trials.
Expected outputs	• Drug Trials.
Actual outputs achieved	• The project is still in progress.
Amount carried over (R'000)	R 29
Amount spent by the Department (R'000)	R 0
Reasons for the funds unspent	• The project is still in progress.
Monitoring mechanism by the Donor	• Not specified.
Atlantic Philanthropies	
Full amount of the funding	R 9 429 000
Period of the commitment	• Two years. Further extension received from the Donor.
Purpose of the funding	• To strengthen institutional capacity of the KZNCN to enhance training and research capacity.
Expected outputs	• Position the KZNCN in the Higher Education landscape by the year 2016/17 in respect of education, training and research. • Enhance quality improvement. • Enhance leadership and governance.
Actual outputs achieved	• Feasibility study conducted for policy and procedure development and accreditation of new qualifications
Amount carried over (R'000)	R 7 447
Amount spent by the Department (R'000)	R 1 283
Reasons for the funds unspent	• Due to delays with tender processes the donation could not be spent in 2016/17.
Monitoring mechanism by the Donor	• Not specified.
Conforth Investments	
Full amount of the funding	R 151 000
Period of the commitment	• Not specified.
Purpose of the funding	• Improvement of the infection control unit in ward A4.
Expected outputs	• Installation of access control doors and purchasing of furniture in the Haematology Department.
Actual outputs achieved	• Installations of 2 access control doors and additional seating for patients in ward A4 west.
Amount carried over (R'000)	R 32

Amount spent by the Department (R'000)	Nil
Reasons for the funds unspent	• Awaiting further action from the Donor on the utilisation of the remaining balance.
Monitoring mechanism by the Donor	• None.
Impumumelelo Trust Innovation	
Full amount of the funding	R 24 000
Period of the commitment	• Not specified.
Purpose of the funding	• Training programmes for HIV and AIDS.
Expected outputs	• Prize money for HIV/ AIDS related projects.
Actual outputs achieved	• None
Amount carried over (R'000)	R 24
Amount spent by the Department (R'000)	R 0
Reasons for the funds unspent	• Still in the planning phase.
Monitoring mechanism by the Donor	• None.
MASEA AWARDS	
Full amount of the funding	R 125 000
Period of the commitment	• Not specified.
Purpose of the funding	• Annual Service Excellence Awards 2013/14.
Expected outputs	• Awardees receive funding as prize money.
Actual outputs achieved	N/A
Amount carried over (R'000)	R 64
Amount spent by the Department (R'000)	R 10
Reasons for the funds unspent	• Bank account details for recipients were not received.
Monitoring mechanism by the Donor	• None.

Capital Investment

Table 23: Capital Investment, Maintenance and Asset Management Plan

Infrastructure Projects	2016/17			2015/16		
	Financial Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Financial Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
New and replacement assets	636 632	646 320	-9 659	527 131	399 227	127 904
Existing infrastructure assets	224 122	731 233	6 781	986 316	1 064 305	-77 989
Upgrades and additions	386 506	280 079	6 919	481 643	552 793	-71 150
Rehabilitation, renovations & refurbishment	77 321	74 450	2 871	187 471	178 927	8 544

Infrastructure Projects	2016/17			2015/16		
	Financial Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Financial Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Maintenance and repairs	372 236	376 704	-3 009	317 202	332 585	-15 383
Infrastructure transfer	-	-	-	-	20 000	-20 000
Current	1 100 459	1 000 849	131	1 196 245	1 150 947	45 298
Capital	372 236	376 704	-3 009	317 202	332 585	-15 383
Total	1 472 695	1 377 553	-2 878	1 513 447	1 483 532	29 915

PROGRAMME 1 - ADMINISTRATION

Programme Description & Purpose

Conduct the strategic management and overall administration of the Department of Health.

There are no changes to the Programme 1 structure.

Sub-Programme 1.1: Office of the Member of the Executive Council (MEC)

Render advisory, secretarial and office support services. This sub-programme also renders secretarial support, administrative, public relations/ communication and parliamentary support.

Sub-Programme 1.2: Office of the Head: Health (all Head Office Components)

Policy formulation, overall management and administration support of the Department and the respective regions and institutions within the Department.

Strategic Objectives, Performance Indicators, Targets and Achievements

SO 1.1) Finalise integrated long term health service improvement platform

The Department commenced with development of the Departmental Turn-Around Strategy that will inform the Strategic Position Statement and Long Term Plan. The Strategy is focussing on critical strategic issues that will improve health system efficiencies to ensure improving audit outcomes, improved hospital efficiencies through implementation of a Hospital Rationalisation Plan, reforms in Human Resources Management, Finance and Supply Chain Management to ensure improved efficiencies, Governance and Organisational arrangements to improve leadership and management, and Infrastructure Development.

SO 1.4) Improve health technology and information management

Progress with connectivity at clinic level is slower than expected due to delayed processes and challenges to ensure compliance with the national minimum connectivity criteria i.e. 2 Mbps for hospitals and 512 Kbps for clinics. Inter-governmental collaboration, through implementation of the Provincial Growth and Development Plan, is in progress which should advance implementation.

The Department could not fill the necessary Data Capturer posts in eThekwini, Zululand, and Ilembe Districts to improve capturing of data on information systems due to ratification processes that could not be concluded during the year under review and employment equity target that could not be met.

SO 4.1: Improve human resources for health

Review and finalisation of organisational structures has been delayed due to delays in the finalisation of staffing norms, and reviewed packages of services at hospital level as informed by the Hospital Rationalisation Plan. The Province commenced with benchmarking of staffing allocation of existing clinics and CHCs using the National WISN normative guide. Due to the fiscal challenges and austerity measures, proposed structures which results in additional post/s were not approved.

Various human resource trends have been analysed to inform projected human resource needs as part of the Long Term Plan. Medium and long term projections will be finalised once the Departmental Turn-Around Strategy has been approved. Resource planning meetings are being resuscitated to fast-track the process.

Table 24: Customised Performance Indicators

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Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comment on Deviation**
Strategic Objective 1.2: Improve financial management and compliance to prescripts							
1.2.1) Annual unqualified audit opinion for financial statements and performance information from 2015/16 onwards	1. Audit opinion from Auditor-General	Annual Report	Qualified opinion	Unqualified opinion	Qualified opinion	Not achieved	See Auditor General Reports: Page 243: Annual Financial Statements and Performance Information; and Page 384: Provincial Pharmaceutical Supply Depot and Performance Information.
Strategic Objective 1.4: Improve health technology and information management							
1.4.1) Connectivity established at 90% public health facilities by March 2020	2. Percentage of hospitals with broadband access	IT Database/ Internet Rollout Report	9.7%	50%	9.6%	(80.8%)	Although all hospitals have broadband access, they do not all comply with the 2 Mbps connectivity standard set by the National Department of Health. SITA was unable to complete the upgrades and implementation of new lines.
	Total number of Hospitals with minimum 2 Mbps connectivity	*Internet Rollout Report*	*7*	*37*	*7*		
	Total number of hospitals	*DHIS*	*72*	*73*	*73*		
	3. Percentage of fixed PHC facilities with broadband access	IT Database/ Internet Rollout Report	5.1%	50%	17.7%	(64.6%)	The fiscal constraints limited the number of targeted facilities during the year under review. NHI Conditional Grant funding was used to improve the connectivity at 77 clinics.
	Number of PHC facilities that have access to at least 512 Kbps connectivity	*Internet Rollout Report*	*31*	*304*	*108*		
	Total number of fixed PHC facilities	*DHIS*	*607*	*608*	*618*		
FINANCE AND SUPPLY CHAIN MANAGEMENT							
Strategic Objective 1.2: Improve financial management							
1.2.2) Maintain financial efficiency by ensuring under/ over expenditure within 1% of the annual allocated	4. Percentage over/ under expenditure	BAS Reports	0.4%	1% over/ under expenditure	0.8%	0%	Target of less than 1% over/ under expenditure achieved – no deviation.
	Total expenditure	*BAS*	*34 110 724*	*37 096 9898* *36 362 395*	*37 026 397*		

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Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comment on Deviation**
budget throughout the reporting cycle	*Allocated budget*	*BAS*	*33 969 992*	*36 729 692*	*37 337 104*		
Strategic Objective 1.3: Improve Supply Chain Management							
1.3.1) Costed annual Procurement Plan for minor and major assets by the end of April in each reporting year	5. Approved annual Procurement Plan	Procurement Plan	No	Yes	Yes	0%	Target achieved - No deviation.
HUMAN RESOURCES MANAGEMENT SERVICES							
Strategic Objective 4.1: Improve human resources for health							
4.1.1) Long Term Human Resources (HR) Plan costed and approved by March 2017 and implemented and monitored thereafter	6. Approved Long Term Human Resource Plan	Long Term Human Resource Plan	Trend analysis drafted	Develop and approve Long Term HR Plan	Plan not finalised	Not achieved	The Departmental Turn-Around Plan, that must inform the Long Term HR Plan, has not been finalised. Trend analysis has been completed to inform forward projections, pending requirements from Turn-Around Plan and finalisation of Provincial staffing norms.
4.1.2) Finalise 610 post establishment by March 2020	7. Number of post establishments finalised	Occupational Efficiency Services/ Approved Structures	459	40	1	(97.5%)	Due to the fiscal constraints and austerity measures, reviewed/ proposed structures that require additional posts were not approved. The process to benchmark existing PHC and CHC staffing allocation with the National WISN normative guide commenced, although staffing requirements cannot be honoured due to fiscal constraints. The Hospital Rationalisation Plan (as part of the Turn-Around Plan) will inform review of hospital structures based on the package of services.

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Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comment on Deviation**
4.1.3) Implement the Community Based Training in a PHC Model in collaboration with the University of KwaZulu-Natal with Phase 1 pilot commencing in 2016/17	8. Implement Community Based Training in a PHC Model	Community Based Training in a PHC Model Business Plan	Approved Business Plan	Phase 1 pilot commence	Phase 1 implemented in King Cetshwayo District	0%	Target achieved - No deviation.
4.1.9) Provide sufficient staff with appropriate skills per occupational group within the framework of Provincial staffing norms by March 2020	9. Medical Officers per 100,000 people	Persal/ Stats SA	28.8	30.0	27.8	(7.3)	Due to fiscal constraints and pressures on Cost on Employees budget, the filling of additional posts was strictly controlled. All vacant posts could not be filled. The high turn-over rate of Medical Officers (25.8%) has put additional pressure on filling of posts in this category.
	Number of Medical Officers posts filled	*Persal*	*3 124*	*3 241*	*3 007*		
	Total population	*Stats SA*	*10 688 168*	*10 806 538*	*10 806 538*		
	10. Professional Nurses per 100,000 people	Persal/ Stats SA	161.3	136.0	160.7	18.2%	The target has been exceeded as the number of filled posts includes Nursing Managers in administrative positions as well as Community Service and Service Obligation Nurses.
	Number of Professional Nurses posts filled	*Persal*	*17 475*	*14 697*	*17 370*		
	Total population	*Stats SA*	*10 688 168*	*10 806 538*	*10 806 538*		
	11. Pharmacists per 100,000 people	Persal/ Stats SA	7.7	7.7	7.9	2.6%	The target has been exceeded as the number of filled posts includes Community Service and Service Obligations personnel.
	Number of Pharmacists posts filled	*Persal*	*833*	*832*	*849*		
	Total population	*Stats SA*	*10 688 168*	*10 806 538*	*10 806 538*		
Strategic Objective 4.2: Improve Performance Management and Development							
4.2.1) All personnel comply with performance management	12. Number of Hospital Managers who have signed Performance Agreements (PAs)	EPMDS Database/ Signed PAs	56	73	46	(37%)	Deviation mainly ascribed to unfilled Hospital Manager posts at the time of reporting.

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Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comment on Deviation**
requirements from March 2016 onwards	13. Number of District Managers who have signed PAs	EPMDS Database/ Signed PAs	12	13	10	(23.1%)	The District Manager from Umzinyathi District transferred to another Province; and the Chief Director from eThekwini transferred to Head Office. The CEO from Itshelejuba Hospital is acting as District Manager for Zululand District with a signed Performance Agreement.
	14. Percentage of Head Office Managers (Level 13 and above) who have signed PAs	EPMDS Database/ Signed PAs	67.8%	100%	93.1%	(6.9%)	Newly appointed Senior Managers were not able to sign Performance Agreements by 31 May 2017. They however signed Performance Agreements within the allocated time period from appointment in posts.
	Head Office Managers (level 13 and above) who signed PAs in reporting cycle	*EPMDS database/ Signed PAs*	*40*	*50*	*54*		
	Number of Head Office Managers (level 13 and above)	*Persal*	*59*	*50*	*58*		
HEALTH SERVICE PLANNING, MONITORING & EVALUATION							
Strategic Objective 1.1: Finalise integrated long term health service improvement platform							
1.1.1) Long Term Plan approved by March 2016 and implemented and monitored thereafter	15. Approved Provincial Long Term Plan	Approved Provincial Long Term Plan	75% Completed	Approved Long Term Plan implemented	Long Term Plan not finalised	Not achieved	Delays in finalisation and approval of the Departmental Turn-Around Strategy have a direct bearing on finalisation of the Strategic Position Statement that must inform the Long Term Plan.
Strategic Objective 1.4: Improve health technology and information management							
1.4.3) M&E Framework revised and approved by March 2016	16. Approved revised M&E Framework	Approved Revised M&E Framework	First draft completed	Approved revised M&E Framework implemented	Framework approved and implemented	0%	Target achieved - No deviation.
1.4.2) Improve performance data integrity by ensuring a	17. Data submission rate	Data Management/ DHIS	81%	100%	99%	(1%)	The marginal deviance is considered within an acceptable deviation range. Slight delays due to challenges with paper-

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Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comment on Deviation**
100% submission rate from March 2017 onwards	*Number of facilities submitting complete performance data according to time frames*	*Completeness Report*	*9 Districts*	*894*	*889*		based reporting still affect timely submission of data.
	Number of facilities	*DHIS*	*11 Districts*	*894*	*895*		
1.4.4) Reduce performance data error rate to 2% (or less) by March 2020	18. Audit error rate PHC clinics and CHC's	Data Management Audit Reports	5.2%	4%	6.9%	(72.5%)	The shortage of registers since July 2016 impacted negatively on the recording of data at facility levels. This resulted in increased discrepancies between source documents and DHIS reported data. Due to financial constraints the request for procurement of registers was put on hold.
	Sum of variance between data collection tools and DHIS during audit at PHC and CHC facilities	*Audit Reports*	*21 783*	-	*9 547*		
	Reported PHC/ CHC data on DHIS	*DHIS*	*22 928*	-	*138 368*		
	19. Audit error rate Hospitals	*Data Management Audit Reports*	12.4%	6%	2.6%	56.7%	Facility support visits to all Regional and 20 District Hospitals during this financial year significantly improved data quality.
	Sum of variance during audit at Hospitals	*Audit Reports*	*113*	-	*1 748*		
	Reported Hospital data on DHIS	*DHIS*	*129*	-	*67 258*		
CORPORATE COMMUNICATION							
Strategic Objective 1.9: Strengthen health system effectiveness							
1.9.3) Annual stakeholder analysis	20. Annual stakeholder analysis conducted	Stakeholder Analysis	Not conducted	Stakeholder analysis completed	Stakeholder analysis conducted	0%	Target achieved - No deviation.
1.9.4) Internal and external interactive communication platforms established by March 2016 and response analysed annually	21. Annual analysis of social media responses	Social Media Analysis Report	Social Media platform established	Analysis of social media responses completed	60% Completed	(40%)	Due to inadequate resources the analysis could not be completed during the financial year.

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Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comment on Deviation**
INFORMATION COMMUNICATION TECHNOLOGY							
Strategic Objective 1.4: Improve health technology and information management							
1.4.5) Finalise and implement the ICT Governance Policy & Framework by March 2017	22. Approved ICT Governance Policy and Framework	ICT Governance Policy & Framework	Approved ICT Governance Framework	Approved ICT Policy & Framework implemented	ICT Governance Framework and Policy approved & implemented	0%	Target achieved - No deviation.
1.4.6) Implement an enterprise content management system in all public health facilities by March 2020	23. Percentage of public health facilities with an Enterprise Content Management system	Enterprise Content Management System	0%	40%	0%	(100%)	Due to fiscal constraints and austerity measures all ICT projects were put on hold for the financial year.
	Public health facilities with an enterprise content management system	*Facility Content Management System*	*0*	*243*	*0*		
	Number of public health facilities	*DHIS*	*607*	*608*	*618*		
1.4.7) Expand telemedicine to 65 functional sites by March 2020	24. Number of functional Tele-Medicine sites	Telemedicine Register	58	60	34	(38.3%)	The expansion of telemedicine sites were delayed due to delays in procurement processes.
SPECIALISED SERVICES AND CLINICAL SUPPORT							
Strategic Objective 1.7: Improve hospital efficiencies							
1.7.2) Develop and implement the approved Hospital Rationalisation Plan by March 2017	25. Approved Hospital Rationalisation Plan	Approved Hospital Rationalisation Plan	Plan not finalised	Approved Plan implemented	Hospital Rationalisation Plan in draft	Not achieved	The first draft of the Regional, Specialised, Tertiary and Central Hospital Rationalisation Plan was submitted for comment (as part of the Turn-Around Plan). A task team was appointed to investigate District Hospital efficiencies. Results will inform rationalisation of District Hospital services.
Strategic Objective 1.10: Improve transversal services							

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Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comment on Deviation**
1.10.1) 100% Public health hospitals score more than 75% on the Food Service Monitoring Standards Grading System (FSMSGS) by March 2020	26. Proportion of public health facilities that scored more than 75% on the FSMSGS	Food Services Grading Register	43.8%	75%	65.2%	(13.1%)	Immature systems and processes to effectively manage and monitor food services. A reviewed strategy, making provision for improved oversight, is being developed to improve Food Management Services.
	Facilities that score more than 75% on the FSMSGS	*Food Services Grading Register*	*32*	*55*	*47*		
	Public Health Hospitals total	*DHIS*	*73*	*73*	*72*		
	27. Number of public health facilities compliant with 2 priority Food Safety Standards	Food Service Database	29	70	43	(38.6%)	Immature systems and processes to effectively manage and monitor food services. A reviewed strategy, making provision for improved oversight, is being developed to improve Food Management Services.
SECURITY SERVICES							
Strategic Objective 1.10: Improve transversal services							
1.10.2) 100% Public health facilities comply with security policy requirements by March 2020	28. Percentage public health facilities with access control at the gate	Facility Security Audit Results	57%	80%	95%	18.8%	The better than expected performance is mainly due to improved oversight and monitoring, supported by new monthly reporting templates for District Security Coordinators to report on security issues.
	Public health facilities with access control at the gate	*Security Audit Results*	*343*	*486*	*652*		
	Total public health facilities	*DHIS*	*607*	*608*	*685*		

Changes to planned targets

No targets were changed during 2016/17.

Strategies to overcome areas of under-performance

The Long Term Plan will be finalised once the Turn-Around Strategy and Implementation Plan has been approved for implementation in 2017/18 onwards. Health system reforms, identified as critical strategic priorities, are expected to have a ripple effect on service delivery and efficiencies. These plans will also address critical issues for reform to improve audit outcomes.

Linking performance with budget

Programme 1 reported 100% expenditure on the allocated budget of R 845 674 million.

Table 25: Budget appropriation and expenditure

Sub-Programmes		2016/17							2015/16	
		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 payments	18 584	-	388	18 972	18 972	0	100%	17 089	17 730
	Transfers and subsidies	-	-	18	18	18	0	100%	-	-
	Payments for capital assets	1 050	-	-1 050	-	-	-	-	1 100	724
	Payment for financial assets	-	-	-	-	-	-	-	-	1
	Total	**19 634**	**-**	**-644**	**18 990**	**18 990**	**0**	**100%**	**18 189**	**18 455**
1.2	**Management**									
	Current payments	699 055	-	-35 831	663 224	664 468	-1 244	100.2%	630 059	704 574
	Transfers and subsidies	6 419	-	-224	6 195	17 425	-11 230	281.3%	6 651	5 689
	Payments for capital assets	6 320	-	43 338	49 658	257	49 401	0.5%	9 750	10 297

Sub-Programmes		2016/17							2015/16	
		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
	Payment for financial assets	107 607	-	-	107 607	144 534	-36 927	134.3%	107 607	107 607
	Total	**819 401**	**-**	**7 283**	**826 684**	**826 684**	**0**	**100%**	**754 067**	**828 167**

Source: Annual Financial Statements and BAS

PROGRAMME 2 - DISTRICT HEALTH SERVICES

Programme Description & Purpose

There are no changes to the structure of Programme 2.

Programme Purpose

To render Primary Health Care and District Hospital Services.

Sub-Programmes

Sub-Programme 2.1: District Management

Planning and administration of health services; manage personnel and financial administration; co-ordination and management of Day Hospital Organisation and Community Health Services rendered by Local Authorities and Non-Governmental Organisations within the Metro; determine working methods and procedures and exercising district control.

Sub-Programme 2.2: Community Health Clinics

Render a nurse driven primary health care service at clinic level including visiting points, mobile and local authority clinics.

Sub-Programme 2.3: Community Health Centres

Render primary health services with full-time Medical Officers in respect of mother and child, health promotion, geriatrics, occupational therapy, physiotherapy, and psychiatry.

Sub-Programme 2.4: Community-Based Service

Render a community-based health service at non-health facilities in respect of home-based care, abuse victims, mental and chronic care, school health, etc.

Sub-Programme 2.5: Other Community Services

Render environmental, port health and part-time district surgeon services, etc.

Programme 2.6: HIV and AIDS

Render a primary health care service in respect of HIV and AIDS campaigns and special projects.

Sub-Programme 2.7: Nutrition

Render nutrition services aimed at specific target groups and combines direct and indirect nutrition interventions to address malnutrition.

Sub-Programme 2.8: Coroner Services

Render forensic & medico legal services aimed to establish the circumstances and causes of unnatural deaths.

Sub-Programme 2.9: District Hospitals

Render hospital services at General Practitioner level.

Strategic Objectives, Performance Indicators, Targets and Achievements

SO 1.6) Scale up implementation of Operation Phakisa; and SO 1.5) Accelerate implementation of PHC re-engineering

The Department performed well in implementation of the Ideal Clinic Programme, although high failure rates for vital standards are a concern that is being addressed though active leadership and monitoring. The 2 vital elements with the highest failure rate were restoration of emergency trolley after use (46%); and well-equipped resuscitation room with functional basic equipment (40%). Elements with least failure rates were medicines, supplies and laboratory services (83%); and human resources (81%).

A total of 114 clinics (26.5%) scored 55% or less. These clinics will be targeted to improve performance to an acceptable level, while well scoring clinic status will be maintained.

SO 1.7) Improve hospital efficiencies

The poor compliance with National Core Standards and general inefficiencies remains a serious concern. An in-depth assessment of hospital efficiencies was initiated at the end of 2016/17 to inform the Hospital Rationalisation Plan aimed to improve efficiencies and compliance with core standards. The plan will be implemented from 2017/18 onwards.

SO 2.7) Reduce maternal mortality

Most indicators are demand driven and therefore difficult to predict with 100% accuracy.

The continuous decrease in maternal deaths is encouraging and attributed to amongst others an increase in postnatal care within 6 days of delivery; increase in early antenatal care with the rollout of community-based screening for pregnancy; implementation of the Partogram quality improvement programme in all labour wards; improved clinical management through expansion of training on Essential Steps in the Management of Obstetric Emergencies and integrated management of TB and HIV in pregnancies; campaign against illegal abortions that reduced maternal deaths from septic abortions; and improved access to ART for eligible pregnant women.

SO 2.3) Manage HIV prevalence; and SO 2.2) Reduce HIV incidence

The majority of indicators are demand driven and therefore difficult to predict with 100% accuracy.

The uptake for HIV testing services exceeded expectation and is mainly attributed to testing at ward and community level through 386 strategically selected Hlola Manje Zivikele campaigns, testing at all truck stops, high risk areas e.g. areas frequented by commercial sex workers, and taxi ranks (including taxi drivers, commuters and hawkers; and the training of 660 nurses on Provider Initiated Counselling and Testing (PICT).

The target for MMC was not achieved mainly due to a challenge with mobilisation of men; inadequate number of facilities and clinicians to perform MMC; and reduced support from Development Partners.

During the reporting period the Department launched the dual protection campaign which focussed on the promotion of condom use for the prevention of HIV, STI and unwanted pregnancies. It is encouraging to note that the uptake of female condoms has increased remarkably. Disruptions in the supply of male condoms due to inability of suppliers to deliver on orders was however a challenge during the reporting year.

PMTCT remains one of the flagship programmes in the Department, reporting a birth PCR positivity rate of 0.6%. This is attributed to improved early booking for antenatal care; improved access to HAART for pregnant women who test HIV positive but are not on treatment (97.2%); and integrated PMTCT/BANC training conducted in 3 districts in the 2016/17 financial year. However, there are still a significant number of children that present as HIV positive post-cessation of breastfeeding which is a concern. This is likely as a result of mothers continuing to breastfeed whilst their viral load is high or introducing mixed feeding.

Universal Test and Treat was successfully launched in September 2016, which significantly increased the number of patients being initiated on ART. An additional 587 nurses were trained on NIMART to increase access to initiation of ART; all stable patients on ART are enrolled on CCMDD to decongest facilities; community- and facility based chronic/support clubs have been established to promote adherence to treatment; training on the child initiation policy were conducted in all districts to increase access to ART services for children; and management of child ART has been successfully integrated into IMCI and well-baby clinics. There is still a higher than expected number of clients lost to follow up, which could be due to clients failing to comply with follow-up dates; and deaths or unreported transfer out.

SO 2.4) Improve TB outcomes

Most indicators are demand driven and therefore difficult to predict with 100% accuracy.

There has been a marked improvement in integrated patient care and prevention by systematic screening and identification of people with suspected active TB at community and facility levels. As a result, the TB case notification has declined with 13 429 since 2015/16.

Collaboration with other government departments and civil society to address underlying social determinants has started to show encouraging results. Through the support of Department of Basic Education and Social Development, more children in schools are screened and initiated on treatment. The programme has also improved community empowerment by building patient-centred support into the management of tuberculosis.

The death and loss to follow up rates remain low in susceptible TB, mainly achieved through an improved patient literacy programme; robust tracking and tracing of patients on treatment; and improved treatment information system.

More drug-resistant tuberculosis (DR-TB) has been detected through increased capacity to diagnose and treat presenting cases through the decentralisation and de-institutionalisation model. The low DR-TB treatment success rate is still a concern with high loss to follow up and death rates. This is mainly attributed to poor management of side effects; reduction in the number of outreach teams which has been influenced by increase in car hijackings, ageing vehicle fleet and fiscal constraints; and late patient presentation for care and management. Patient literacy programmes on starting of treatment has been standardised and health care workers in outreach teams have been trained on the identification and treatment of side effects.

SO 2.5) Reduce infant mortality; and SO 2.6) Reduce under-5 mortality

The majority of indicators are demand driven and therefore difficult to predict with 100% accuracy.

Good progress has been made towards reducing infant and under-5 mortalities. Rollout of Phila Mntwana Centres at community level, focusing on health promotion and disease prevention, has been scaled up to improve access to social relief packages through linkages with Social Development and SASSA; robust implementation of IMCI to ensure that children are managed appropriately before the development of complications that will require hospitalisation; implementation of an accreditation process of all neonatal wards - hospitals which reached bronze status are in the process of addressing identified gaps; implementation and robust monitoring of quality improvement plans (aligned to the recommendations of the National CoMMIC [Committee on Morbidity and Mortality in Children under 5 years] Report) in all hospitals.

The erratic supply of certain vaccines and late presentation of sick children at health facilities has been a challenge and several radio talk shows were done to raise awareness about the early identification and management of the sick children.

Proposed infrastructure and human resource investments to improve compliance to standards could not be made as a result of fiscal challenges. These will require additional financial investments in the coming MTEF.

SO 2.8) Improve women's health

The majority of indicators are demand driven and therefore difficult to predict with 100% accuracy.

The Department launched campaigns on Dual Protection and promotion of legal abortions during the reporting year. The increase in the number of facilities and clinicians providing Choice on Termination of Pregnancy (CTOP) services contributed towards the decrease in septic abortions. Access to CTOP services in Regional Hospitals however remains a challenge and consultation and values clarification workshops will be increased in 2017/18.

The Phila Ma programme to improve screening for breast and cervical cancer was re-prioritised which resulted in a significant increase in screening. Preparatory work with NHLS has resumed for the implementation of liquid-based cytology which will address current challenges with cytology results. This service will be launched during Women's Month in 2017.

SO 2.9) Reduce incidence of non-communicable diseases

Indicators are demand driven and/ or determined by the burden of disease which makes it difficult to predict with 100% accuracy.

Implementation of the 90-90-90 integrated strategy for non-communicable diseases commenced in 2016/17. Intra-governmental collaboration further expanded healthy lifestyle initiatives and community awareness to improve early screening and detection of chronic conditions to ensure early treatment and compliance with treatment regimens.

Table 26: (DHS1) District Health Service – 2016/17 (DHIS)

Health District	Facility Type	Number of facilities	Total PHC headcount 2016/17	Per Capita Utilisation 2016/17	District Population (*DHIS 2016*)
UGu	Mobiles	17	2 299 757	3.0	759 134
	Fixed Clinics (including LG/satellite)	54			
	CHCs (including LG)	2			
	Total Fixed Clinics	*56*			
	District Hospitals	3			
UMgungundlovu	Mobiles	16	2 867 185	2.6	1 104 912
	Fixed Clinics (including LG/satellite)	50			
	CHCs (including LG)	3			
	Total Fixed Clinics	*53*			
	District Hospitals	2			
Uthukela	Mobiles	14	1 691 071	2.4	702 395
	Fixed Clinics (including LG/satellite)	36			
	CHCs (including LG)	1			
	Total Fixed Clinics	*37*			
	District Hospitals	2			
Umzinyathi	Mobiles	13	1 485 971	2.8	527 386
	Fixed Clinics (including LG/satellite)	51			
	CHCs (including LG)	1			
	Total Fixed Clinics	*52*			
	District Hospitals	4			
Amajuba	Mobiles	8	1 133 775	2.1	530 447
	Fixed Clinics (including LG/satellite)	25			
	CHCs (including LG)	1			
	Total Fixed Clinics	*26*			
	District Hospitals	1			
Zululand	Mobiles	18	2 187 292	2.6	854 893
	Fixed Clinics (including LG/satellite)	72			

Health District	Facility Type	Number of facilities	Total PHC headcount 2016/17	Per Capita Utilisation 2016/17	District Population (*DHIS 2016*)
	CHCs (including LG)	1			
	Total Fixed Clinics	*73*			
	District Hospitals	5			
Umkhanyakude	Mobiles	18	2 194 443	3.3	655 617
	Fixed Clinics (including LG/satellite)	57			
	CHCs (including LG)	0			
	Total Fixed Clinics	*57*			
	District Hospitals	5			
King Cetshwayo District	Mobiles	19	2 690 024	2.8	968 620
	Fixed Clinics (including LG/satellite)	63			
	CHCs (including LG)	1			
	Total Fixed Clinics	*64*			
	District Hospitals	6			
Ilembe	Mobiles	11	1 978 209	3.0	662 413
	Fixed Clinics (including LG/satellite)	34			
	CHCs (including LG)	2			
	Total Fixed Clinics	*36*			
	District Hospitals	3			
Harry Gwala	Mobiles	13	1 254 868	2.5	492 203
	Fixed Clinics (including LG/satellite)	40			
	CHCs (including LG)	1			
	Total Fixed Clinics	*41*			
	District Hospitals	4			
eThekwini	Mobiles	26	9 418 353	2.7	3 548 516
	Fixed Clinics (including LG/satellite)	110			
	CHCs (including LG)	8			
	Total Fixed Clinics	*118*			
	District Hospitals	4[9]			

[9] Includes St Mary's Marianhill (State-Aided) and King Dinuzulu Hospitals, and excludes McCords Provincial Specialised Eye Care Hospital

Health District	Facility Type	Number of facilities	Total PHC headcount 2016/17	Per Capita Utilisation 2016/17	District Population (*DHIS 2016*)
Province	Mobiles	173	29 200 948	2.7	10 806 538
	Fixed Clinics (including LG and satellite clinics)	592			
	CHCs (including LG)	21			
	Total Fixed Clinics	*613*			
	District Hospitals	39[10]			

[10] Includes St Mary's Marianhill and King Dinuzulu Hospitals and excludes McCords Provincial Specialised Eye Care Hospital

Primary Health Care

Table 27: (DHS2) Situation Analysis Indicators – 2016/17

APP 2016/17: Page 96; Table 22 (DHS 2)													
Indicators	**Type**	**Provincial 2016/17**	**Ugu 2016/17**	**Umgungundlovu 2016/17**	**Uthukela 2016/17**	**Umzinyathi 2016/17**	**Amajuba 2016/17**	**Zululand 2016/17**	**Umkhanyakude 2016/17**	**King Cetshwayo 2016/17**	**Ilembe 2016/17**	**Harry Gwala 2016/17**	**eThekwini 2016/17**
1. Percentage of fixed PHC facilities scoring above 70% on the Ideal Clinic Dashboard[11]	%	64.2%	45.3%	100%	81.1%	97.2%	100%	64.3%	60.7%	45%	44.4%	34.5%	55.1%
Number of fixed PHC Facilities scoring above 70% on the ideal clinic dashboard	*No*	*349*	*24*	*52*	*30*	*35*	*26*	*45*	*34*	*27*	*16*	*10*	*49*
Number of fixed PHC facilities that conducted an assessment against the ideal clinic dashboard to date in the financial year[12]	*No*	*544*	*53*	*52*	*37*	*36*	*26*	*70*	*56*	*60*	*36*	*29*	*89*
2. Client satisfaction survey rate (fixed PHC facilities)	%	65.7%	64.2%	28.3%	97.3%	100%	96.1%	95.8%	100%	31.2%	100%	97.5%	13.5%
Total number of fixed PHC facilities that conducted a client satisfaction survey to date in the current financial year	*No*	*403*	*36*	*15*	*36*	*52*	*25*	*70*	*57*	*20*	*36*	*40*	*16*
Total number of fixed PHC facilities	*No*	*613*	*56*	*53*	*37*	*52*	*26*	*73*	*57*	*64*	*36*	*41*	*118*

[11] Source: March 2017 Ideal Clinic Report
[12] Not all clinics & CHC's conducted an assessment therefore this number will differ from the total number of clinics & CHC's

APP 2016/17: Page 96; Table 22 (DHS 2)													
Indicators	**Type**	**Provincial 2016/17**	**Ugu 2016/17**	**Umgungundlovu 2016/17**	**Uthukela 2016/17**	**Umzinyathi 2016/17**	**Amajuba 2016/17**	**Zululand 2016/17**	**Umkhanyakude 2016/17**	**King Cetshwayo 2016/17**	**Ilembe 2016/17**	**Harry Gwala 2016/17**	**eThekwini 2016/17**
3. Client satisfaction rate (PHC)	%	81.3%	87.5%	99.1%	88.9%	49.2%	No data	95.5%	80.7%	74.2%	86.2%	73.1%	83.7 %
Total number of clients that were satisfied with services (scoring 80% or more on survey results) to date in the current financial year	*No*	*340 310*	*970*	*629*	*71 914*	*39 844*	-	*160 655*	*2 259*	*46*	*2 075*	*44 831*	*17 087*
Total number of clients that participated in survey to date in the current financial year	*No*	*418 842*	*1 109*	*635*	*80 926*	*80 926*	-	*168 242*	*2 800*	*62*	*2 406*	*61 321*	*20 415*
4. Outreach household registration visit coverage (annualised)	%	25.5%[13]	20.2%	6.7%	35.9%	74.4%	2. 0%	26.9%	19.7%	59.2%	36.4%	67.3%	14.1%
Outreach household registration visit	*No*	*651 894*	*36 204*	*18 256*	*52 911*	*84 806*	*2 256*	*42 505*	*25 350*	*120 280*	*57 451*	*75 554*	*136 321*
Number of households in the population	*No*	*2 549 43*	*179 440*	*272 266*	*147 286*	*113 469*	*110 963*	*157 748*	*128 195*	*202 976*	*157 695*	*112 282*	*966 713*
5. Number of districts with fully fledged District Clinical Specialist Teams	No	0	0	0	0	0	0	0	0	0	0	0	0
6. PHC utilisation rate (annualised)	Rate	2.7	3.0	2.6	2.4	2.8	2.1	2.6	3.3	2.8	3.0	2.5	2.7
PHC headcount total	*No*	*29 200 948*	*2 299 757*	*2 867 185*	*1 691 071*	*1 485 971*	*1 133 775*	*2 187 292*	*2 194 443*	*2 690 024*	*1 978 209*	*1 254 868*	*9 418 353*
Population total	*No*	*10 806 538*	*759 134*	*1 104 912*	*702 395*	*527 386*	*530 447*	*854 893*	*655 617*	*968 620*	*662 413*	*492 203*	*3 548 516*

[13] This indicator was manually calculated using the 2016/17 APP denominator. DHIS calculation for OHH coverage (23.2%) is based on the updated denominator after publication of the 2016/17 APP

APP 2016/17: Page 96; Table 22 (DHS 2)													
Indicators	**Type**	**Provincial 2016/17**	**Ugu 2016/17**	**Umgungundlovu 2016/17**	**Uthukela 2016/17**	**Umzinyathi 2016/17**	**Amajuba 2016/17**	**Zululand 2016/17**	**Umkhanyakude 2016/17**	**King Cetshwayo 2016/17**	**Ilembe 2016/17**	**Harry Gwala 2016/17**	**eThekwini 2016/17**
7. Complaint resolution rate[14]	%	88.4%	83.8%	88.4%	73.1%	78.7%	85.3%	86.4%	91.3%	81.0%	91.1%	90.8%	92.1%
Complaint resolved	*No*	*3 947*	*294*	*351*	*79*	*122*	*151*	*203*	*559*	*328*	*246*	*148*	*1 466*
Complaint received	*No*	*4 465*	*351*	*397*	*108*	*155*	*177*	*235*	*612*	*405*	*270*	*163*	*1 592*
8. Complaint resolution within 25 working days rate	%	95.5%	90.8%	98.6%	89.9%	82.8%	92.1%	94.6%	98.7%	91.8%	90.2%	89.2%	98.6%
Complaint resolved within 25 working days	*No*	*3 769*	*267*	*346*	*71*	*101*	*139*	*192*	*552*	*301*	*222*	*132*	*1 446*
Total number complaint resolved	*No*	*3 947*	*294*	*351*	*79*	*122*	*151*	*203*	*559*	*328*	*246*	*148*	*1 466*

[14] Includes all PHC facilities (fixed, mobile, State Aided and LG)

Table 28: Strategic Objectives, Indicators & Targets

APP 2016/17: Page 100; Table 24 (DHS 3)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comment on Deviation**
Strategic Objective 1.6: Scale up implementation of Operation Phakisa ICRM							
1.6.1) 100% Provincial fixed PHC facilities score above 70% on the Ideal Clinic Dashboard by March 2020	1. Percentage of fixed PHC facilities scoring above 70% on the Ideal Clinic Dashboard	Ideal Clinic Dashboard	62.2%	40%	64.2%	60.5%	Intensified clinic self-assessments and implementation of improvement plans as per scale-up plan. Achievement: Silver status (33.9%); Gold status (58.8%); and Platinum status (7.2%).
	Number of fixed PHC facilities scoring above 70% on the ideal clinic dashboard	*Assessment Reports*	*141*	*238*	*349*		
	Number of fixed PHC facilities that conducted an assessment using the ideal clinic dashboard to date in the financial year	*Assessment Reports*	*225*	*609*	*544*		
Strategic Objective 5.1: Improve compliance to the Ideal Clinic and National Core Standards							
5.1.5) Sustain a 100% client satisfaction survey (CSS) rate in all public health facilities from March 2016 onwards	2. Client satisfaction survey rate (fixed PHC facilities)	QA Database	33.5%	100%	65.7%	(34.3%)	Poor scheduling of surveys and inadequate human resources at facility level to conduct and assess client surveys.
	Total number of fixed PHC facilities that conducted a CSS to date in the current financial year	*Client Satisfaction Surveys*	*204*	*609*	*403*		
	Total number of fixed PHC facilities	*DHIS*	*608*	*609*	*613*[15]		
5.1.1) Sustain a client satisfaction rate of 95% (or more) at all public health facilities by March 2020	3. Client satisfaction (PHC) rate	QA Database	86%	85%	81.3%	(4.3%)	The main challenges identified were long waiting times and inadequate information and education on use and side effects of prescribed meditation. This will be addressed as part of the SDIP and QIPs implemented as part of the Ideal Clinic Programme.
	Total number of clients that were satisfied with services (scoring 80% or more on survey results) to date in the current financial year	*Client Satisfaction Surveys*	*9 080*	*10 625*	*340 310*		
	Total number of clients that participated in survey to date in the current financial year	*Client Satisfaction Surveys*	*10 583*	*12 500*	*418 842*		

[15] 4 New clinics were commissioned in 2016/17 hence the change in denominator

APP 2016/17: Page 100; Table 24 (DHS 3)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comment on Deviation**
Strategic Objective 1.5: Accelerate implementation of PHC re-engineering							
1.5.1) Accelerate implementation of PHC re-engineering by increasing household registration coverage with at least 15% per annum	4. Outreach household registration visit coverage (annualised)	DHIS	25.1%	25%	25.5%	2%	The marginal better than expected deviance is considered within an acceptable deviation range. PHC re-engineering, with specific focus on community-based services, has been prioritised during 2016/17, which resulted in higher than expected household coverage.
	Outreach household registration visit	*DHIS/ Outreach Registers*	*617 610*	*634 858*	*651 894*		
	Households in the population	*Stats SA*	*2 549 433*	*2 539 433*	*2 549 433* [16]		
1.5.5) Maintain 4 complete District Clinical Specialist Teams and the remaining 7 teams with all nursing posts filled from March 2019 onwards	5. Number of districts with fully fledged District Clinical Specialist Teams[17]	Documented evidence	Nil Districts with complete Teams 11 Districts with all nursing posts filled	2 Districts	Nil Districts	(100%)	The recruitment and retention of Clinical Specialists remains a challenge. Recruitment is ongoing in the form of open advertisement. Incomplete teams however continue to render specialised services.
1.5.3) Increase the PHC utilisation rate to 3.1 visits per person per year by March 2020	6. PHC utilisation rate (annualised)	DHIS	2.9	3.0	2.7	(10%)	An additional 5 457 163 patients accessed services at community level including 619 020 (CCMDD); 4 545 445 (OHH headcount); and 292 698 (Phila Mntwana Centres headcount). A further 653 185 patients accessed PHC services at hospital level (as entry point to health care). With the additional 6 110 348 patients that accessed PHC services outside fixed facilities, the utilisation rate increase to 3.3.
	PHC headcount total	*PHC Tick Register*	*30 745 821*	*31 694 887*	*29 200 948*		
	Population total	*Stats SA*	*10 688 165*	*10 806 538*	*10 806 538*		
Strategic Objective 5.1: Improve compliance to the Ideal Clinic and National Core Standards							
5.1.6) Sustain a complaint	7. Complaint resolution rate	DHIS	80.6%	85%	88.4%	4%	Ongoing role clarification and orientation of

[16] The estimated households per district were not available at the time of tabling the 2016/17 APP – for that reason the denominator was flat lined. The new DHIS denominator is 2 798 270

[17] Recruitment of Specialists (especially Anaesthetists) and high turn-over rate remains a challenge hence low targets. Clinical support in districts without a fully-fledged team will be provided by from identified Regional/Tertiary Hospitals

APP 2016/17: Page 100; Table 24 (DHS 3)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comment on Deviation**
resolution rate of 90% (or more) in all public health facilities from March 2019 onwards	*Complaint resolved*	*Complaints Register*	*3 970*	*4 157*	*3 947*		Complaint Committees has shown positive results in the management of complaints. The actual number of complaints has reduced which could be due to the introduction of the Ideal Clinic concept.
	Complaint received	*Complaints Register*	*4 925*	*4 890*	*4 465*		
5.1.7) Sustain a 85% (or more) complaint resolution within 25 working days rate in all public health facilities from March 2018 onwards	8. Complaint resolution within 25 working days rate	DHIS	94.1%	95%	95.5%	0.5 %	The marginal better than expected performance is considered within an acceptable deviation range. Ongoing role clarification and orientation of Complaint Committees has shown positive results in the timely and effective management of complaints.
	Complaint resolved within 25 working days	*Complaint Register*	*3 735*	*4 074*	*3 769*		
	Complaint resolved	*Complaint Register*	*3 970*	*4 157*	*3 947*		
Strategic Objective 2.1: Increase life expectancy at birth							
2.1.1) Increase the total life expectancy to 60.5 years by March 2020	9. Life expectancy at birth - Total	Stats SA Mid-Year Estimates	57.7 years	59.3 years	56.4 years	(4.8%)	Life expectancy is used as proxy indicator to measure the impact of improved quality of life (not isolated to health) on the life expectancy. Social determinants including poverty, level of education, unintentional injury, etc. have a significant impact on quality of life and therefore life expectancy. Statistics SA review life expectancy annually which change baseline data year on year. It is therefore not possible for the Department to project this target with accuracy.
2.1.2) Increase the life expectancy of males to 58.4 years by March 2020	10. Life expectancy at birth - Male	Stats SA Mid-Year Estimates	57 years	57.1 years	54 years	(5.4%)	
2.1.3) Increase the life expectancy of females to 62.7 years by March 2020	11. Life expectancy at birth - Female	Stats SA Mid-Year Estimates	58.4 years	61.4 years	58.7 years	(4.4%)	
Strategic Objective 1.5: Accelerate implementation of PHC re-engineering							
1.5.4) Increase the PHC utilisation rate under 5 years to 4.8 visits per child by March 2020	12. PHC utilisation rate under 5 years (annualised)	DHIS	4.5	4.7	4.3	(8.5%)	A total of 1 494 883 children under 5 years were attended to at community level including 1 202 185 (Ward-Based Teams) and 292 698 (Phila Mntwana Centres). With the additional 1 494 883 children that accessed PHC services outside fixed facilities, the utilisation rate increase to 5.6.
	PHC headcount under 5 years	*PHC Tick Register*	*5 184 506*	*5 371 526*	*4 947 149*		
	Population under 5 years	*Stats SA*	*1 154 061*	*1 142 878*	*1 142 878*		

APP 2016/17: Page 100; Table 24 (DHS 3)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comment on Deviation**
1.5.6) Increase the expenditure per PHC headcount to R 380 by March 2019	13. Expenditure per PHC headcount	DHIS/ BAS	R 319	R 347	R 380	(9.5%)	The marginal deviance of R 33 is considered within an acceptable deviation range. Increase in the cost of medicines, medical supplies and laboratory services contributed to higher than expected increase in cost.
	Total expenditure PHC (Sub-Programme 2.2-2.7)	*BAS*	*R 9 815 401*	*R 10 990 260*	*R 11 123 133*		
	PHC headcount total	*DHIS*	*30 745 821*	*31 694 887*	*29 200 948*		
1.5.7) Increase School Health Teams to 290 by March 2020	14. Number of School Health Teams (cumulative)	District Management/ Persal	214	206	209	1.5%	The marginal deviance of 3 teams more than targeted is considered within an acceptable deviation range. Delayed 2015/16 appointments were finalised in 2016/17.
1.5.2) Increase the number of ward based outreach teams to 190 by March 2020	15. Number of Ward Based Outreach Teams (cumulative)[18]	District Management/ Persal	135	125	154	23.2%	Improved management of resources supplemented incomplete outreach teams e.g. using existing clinic staff to supplement incomplete teams.
1.5.8) Increase the accredited Health Promoting Schools to 350 by March 2020	16. Number of accredited Health Promoting Schools (cumulative)	Health Promotion Database	297	300	314	4.7%	It is not possible to predict with 100% accuracy the number of schools that will be accredited per annum. Deviation a positive result. The accreditation of schools is dependent on a number of critical factors that are the mandate of the Department of Education e.g. school infrastructure, sanitation, etc. It is therefore not possible to predict with 100% accuracy.
Strategic Objective 5.2: Improve quality of care							
5.2.4) Improve efficiencies in dental health by reducing the dental extraction to	17. Dental extraction to restoration ratio	DHIS	19.6:1	16:1	18.7:1	(16.9%)	Clients are still presenting late for dental services, which increase the number of extractions.
	Tooth extraction	*Tick Register*	*548 034*	*489 328*	*537 762*		

[18] The 169 wards worst affected by poverty will be targeted first as part of the Poverty Eradication Master Plan

APP 2016/17: Page 100; Table 24 (DHS 3)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comment on Deviation**
restoration ratio to less than 12:1 by March 2020	*Tooth restoration*	*Tick Register*	*27 957*	*30 583*	*28 809*		Inadequate resources, including consumables, negatively impacted on increasing the number of restorations. Due to fiscal constraints it was not possible to address resource challenges effectively. Expansion of oral health programme at schools and promotion of education for oral health to promote early detection and prevention. Interventions include procuring essential equipment and consumables.

HIV, AIDS, STI and TB Control

Table 29: (HIV1) Situation Analysis Indicators – 2016/17

APP 2016/17: Page 119; Table 30 (DHS 8)													
Indicator	**Type**	**Provincial 2016/17**	**Ugu 2016/17**	**Umgungundlovu 2016/17**	**Uthukela 2016/17**	**Umzinyathi 2016/17**	**Amajuba 2016/17**	**Zululand 2016/17**	**Umkhanyakude 2016/17**	**King Cetshwayo 2016/17**	**Ilembe 2016/17**	**Harry Gwala 2016/17**	**eThekwini 2016/17**
1. Adult remaining on ART - total	No	1 129 314	82 003	130 499	66 704	51 684	48 846	96 298	80 209	100 271	63 351	46 935	362 514
2. Total children (under 15 years) remaining on ART - total	No	52 377	4 385	5 155	3 348	2 909	1 948	5 173	4 297	5 162	3 528	2 584	13 878
3. TB/HIV co-infected client on ART rate	No	88.0%	94.0%	100%	88.5%	96.8%	85.0%	87.8%	97.8%	99.6%	94.3%	94.7%	75.8%
TB/HIV co-infected client on ART	*%*	*41 611*	*3 508*	*4 961*	*2 332*	*1 637*	*1 314*	*3 127*	*2 784*	*4 636*	*2 741*	*1 897*	*12 674*
TB/HIV co-infected client - total	*%*	*47 269*	*3 733*	*4 961*	*2 636*	*1 691*	*1 545*	*3 563*	*2 848*	*4 655*	*2 906*	*2 004*	*16 727*
4. Client tested for HIV (incl. ANC)	No	3 167 664	304 544	269 555	123 580	230 306	141 915	225 053	146 913	305 011	180 554	182 089	1 058 144
5. TB symptom 5yrs and older screened rate	%	77.3%	83.3%	84.3%	75.8%	65.4%	81.1%	81.1%	69.3%	76.7%	61.2%	77.4%	79.6%
Client 5 years and older screened for TB symptoms	*No*	*18 747 611*	*1 596 638*	*2 056 262*	*1 047 614*	*773 687*	*754 956*	*1 447 260*	*1 227 543*	*1 681 660*	*1 006 099*	*775 116*	*6 380 776*
PHC headcount 5 years and older	*No*	*24 263 417*	*1 917 072*	*2 437 504*	*1 382 216*	*1 183 531*	*930 608*	*1 785 293*	*1 770 099*	*2 192 620*	*1 643 920*	*1 001 213*	*8 019 341*

APP 2016/17: Page 119; Table 30 (DHS 8)													
Indicator	**Type**	**Provincial 2016/17**	**Ugu 2016/17**	**Umgungundlovu 2016/17**	**Uthukela 2016/17**	**Umzinyathi 2016/17**	**Amajuba 2016/17**	**Zululand 2016/17**	**Umkhanyakude 2016/17**	**King Cetshwayo 2016/17**	**Ilembe 2016/17**	**Harry Gwala 2016/17**	**eThekwini 2016/17**
6. Male condom distribution coverage (annualised)	Rate	54.1[19]	48.1	65.7	61.3	165.5	51.3	55.3	45.1	44.5	59.0	82.0	37.9
Male condoms distributed	*No*	*185,574,089*	*10 580 808*	*24025 094*	*12 459 361*	*23 472 867*	*8 419 270*	*13 829 379*	*8 310 801*	*11 853 972*	*12 654 860*	*11 469 300*	*48 498 377*
Population 15 years and older male	*No*	*3 428 445*	*220 167*	*365 654*	*203 101*	*141 805*	*164 221*	*249 903*	*184 292*	*266 482*	*214 499*	*139 930*	*1 278 391*
7. Medical male circumcision performed	No	122 132	6 740	19 091	10 848	12 871	4 471	10 295	7 237	11 142	6 219	5 213	28 005
8. TB client treatment success rate	%	88.7%	91.9%	91.5%	81.6%	92.4%	81.1%	87.6%	90.5%	98.7%	87.8%	88.2%	85.8%
TB client cured and completed treatment	*No*	*15 707*	*2 091*	*1 514*	*569*	*596*	*569*	*816*	*803*	*1 626*	*552*	*540*	*6 031*
TB client initiated on treatment	*No*	*17 711*	*2 276*	*1 654*	*697*	*645*	*702*	*932*	*887*	*1 648*	*629*	*612*	*7 029*
9. TB client lost to follow up rate	*%*	4.1%	2.7%	4.4%	1.4%	0.6%	6.3%	3.0%	1.7%	0.1%	6.5%	3.9%	5.9%
TB client lost to follow up	*No*	*719*	*61*	*72*	*10*	*4*	*44*	*28*	*15*	*2*	*41*	*24*	*418*
TB client start on treatment	*No*	*17 711*	*2 276*	*1 654*	*697*	*645*	*702*	*932*	*887*	*1 648*	*629*	*612*	*7 029*
10. TB client death rate	%	3.2%	2.8%	3.3%	2.6%	6.5%	8.7%	5.9%	3.2%	0.6%	3.0%	5.1%	2.5%

[19] This indicator was manually calculated using the 2016/17 APP population. DHIS calculation (53.9) is based on the updated 2017 population

APP 2016/17: Page 119; Table 30 (DHS 8)													
Indicator	**Type**	**Provincial 2016/17**	**Ugu 2016/17**	**Umgungundlovu 2016/17**	**Uthukela 2016/17**	**Umzinyathi 2016/17**	**Amajuba 2016/17**	**Zululand 2016/17**	**Umkhanyakude 2016/17**	**King Cetshwayo 2016/17**	**Ilembe 2016/17**	**Harry Gwala 2016/17**	**eThekwini 2016/17**
TB client death during treatment	*No*	*561*	*64*	*54*	*18*	*42*	*61*	*55*	*28*	*10*	*19*	*31*	*179*
TB client start on treatment	*No*	*17 711*	*2 276*	*1 654*	*697*	*645*	*702*	*932*	*887*	*1 648*	*629*	*612*	*7 029*
11. TB MDR confirmed treatment initiation rate	%	89.0%	93.1%	80.6%	77.8%	85.2%	78.7%	82.1%	84.7%	94.3%	95.7%	93.5%	96.3%
TB MDR confirmed client start on treatment	*No*	*2 904*	*219*	*216*	*130*	*115*	*111*	*216*	*216*	*200*	*289*	*86*	*1 166*
TB MDR confirmed client	*No*	*3 281*	*235*	*268*	*167*	*135*	*141*	*263*	*255*	*212*	*302*	*92*	*1 211*
12. TB MDR treatment success rate	%	60.3%	57.4%	62.5%	61.8%	62.8%	63.2%	58.8%	73.1%	61.1%	100%	56.3%	58.4%
TB MDR client successfully completed treatment	*No*	*2 185*	*171*	*173*	*21*	*98*	*12*	*238*	*217*	*210*	*1*	*67*	*977*
TB MDR confirmed client start on treatment	*No*	*3 624*	*298*	*277*	*34*	*156*	*19*	*405*	*297*	*344*	*1*	*119*	*1 674*

Table 30: Strategic Objectives, Indicators & Targets

APP 2016/17: Page 123; Table 32 (DHS 9)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comment on Deviation**
Strategic Objective 2.3: Manage HIV prevalence							
2.3.1) Increase the number of patients on ART to 1 600 000 (cumulative) by March 2020	1. Adults remaining on ART - total	DHIS/ ART Register	1 005 506	1 205 438	1 129 314	(6.3%)	Under-reporting due to data backlogs as a result of an inadequate number of data capturers at facility level and challenges with the TIER.net reporting system. TIER developers are being engaged to improve functionality. There are reports of treatment fatigue and disclosure issues that result in patients defaulting on treatment.
	2. Total children (under 15 years) remaining on ART - total	DHIS/ ART Register	53 858	68 286	52 377	(23.3%)	Missed opportunities are still reported at hospital level mainly due to poor integration of the HIV / AIDS programme into mainstream programmes/ services; and referral patterns to clinics for test and treat. Non-disclosure of children on treatment contributed significantly to poor retention in care. Implementation of the "Unfinished Business Project", supported by the ELMA Foundation, is addressing this challenge.
	3. TB/HIV co-infected clients on ART rate	DHIS/ ART Register	61.5%	90%	88%	(2.2%)	Amajuba, eThekwini, Uthukela and Zululand did not meet their annual targets due to incomplete reporting. Data mop-up to complete data capturing commenced in 2016/17, but was not completed for inclusion in this report.
	Registered HIV/TB co-infected clients started on ART	*ART Register*	-	*65 742*	*41 611*		
	Total number of registered HIV positive TB patients	*ART Register*	-	*73 047*	*47 269*		
Strategic Objective 2.2: Reduce HIV Incidence							

APP 2016/17: Page 123; Table 32 (DHS 9)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comment on Deviation**
2.2.2) Test 4 million people for HIV by March 2020 (cumulative)	4. Client tested for HIV (including ANC)	DHIS/ HIV Register	2 627 230 (6 761 360)	2 659 268	3 167 664 (9 929 024)	19.1%	Target exceeded mainly as a result of increased testing outside health facilities during Hlola Manje campaigns; and partners testing at household level. Community-based data are now included in DHIS.
Strategic Objective 2.4: Improve TB outcomes							
2.4.5) Increase the TB screening rate for people 5 years and older to at least 70% by March 2020	5. TB symptom 5yrs and older screened in facility rate	DHIS/ ETR.Net	25.3%	35%	77.3%	120.9%	The significant increase is attributed to the implementation of the 90-90-90 strategy including significant increase in routine TB screening at facility level; increased screening and reporting by partners; scale up of community-based screening for populations at risk; and increased community awareness on the importance of TB screening.
	Client 5 years and older screened for TB	*Tick Register/ ETR.Net*	*6 491 562*	*9 283 176*	*18 747 611*		
	PHC headcount 5 years and older not on TB treatment	*DHIS/ ETR.Net*	*25 561 315*	*26 523 361*	*24 263 417*		
Strategic Objective 2.2: Reduce HIV Incidence							
2.2.3) Increase the male condom distribution rate to 87 condoms per male per year by March 2019	6. Male condom distribution coverage (annualised)	DHIS	54.5	61.8	54.1[20]	(12.5%)	Various challenges were reported including inadequate district condom distributors for distribution scale-up; negative perception towards the current condom brand (MAX condoms which is more acceptable ready for distribution); and inadequate condom storage space at facility levels. Procurement/ renting of condom storage space is being finalised through assistance from a Development Partner (MaTCH).
	Total number of male condoms distributed	*Stock/Bin Cards*	*184 431 641*	*212 000 000*	*185 574 089*		
	Population 15 years and older male	*Stats SA*	*3 370 509*	*3 428 445*	*3 428 445*		
2.2.4) Increase the medical male circumcisions to 2 154 953 by March 2019 (cumulative)	7. Medical male circumcision performed - total	DHIS/ MMC Register	752 580 cum [21] (126 443)	793 528 cum (187 618)	874 712 cum (122 132)	10.2%	Performance above target due to implementation of the scale-up plan including concerted efforts to raise awareness re benefits of MMC. Partner support continues to play an important role in MMCs.

[20] Calculated manually using the 2016/17 APP population - DHIS calculation (53.9) uses the updated 2017 population
[21] This figure has been updated since publishing of the 2015/16 Annual Report

APP 2016/17: Page 123; Table 32 (DHS 9)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comment on Deviation**
Strategic Objective 2.4: Improve TB outcomes							
2.4.1) Increase the TB client treatment success rate to 90% (or more) by March 2020	8. TB new client treatment success rate	ETR.Net	84.5%	86%	88.7%	3.1%	The evaluation of cases in all districts improved significantly, which contributed to the improved treatment success rate.
	TB client cured and completed treatment	*TB Register*	*19 313*	*26 862*	*15 707*		
	TB client initiated on treatment	*TB Register*	*22 853*	*31 235*	*17 711*		
2.4.6) Decrease the TB client lost to follow up to 2.3% (or less) by March 2020	9. TB client lost to follow up rate	ETR.Net	4%	3.4%	4.1%	(20.6%)	The high rate of car hijackings, ageing vehicle fleet and fiscal challenges decreased the number of TB outreach teams to follow up on clients on treatment. This contributed significantly to the higher than expected lost to follow up rate. Plans are in place to procure 50 new vehicles in 2017/18 and to expand the tracing teams with an additional 60 Enrolled Nurses.
	TB client on treatment lost to follow up	*TB Register*	*918*	*1 062*	*719*		
	TB client initiated on treatment	*TB Register*	*22 853*	*31 235*	*17 711*		
2.4.3) Decrease the TB death rate to 2% by March 2020	10. TB client death rate	ETR.Net	3.4%	3.5%	3.2%	8.6%	The better than expected performance is mainly due to increased community awareness that improved early detection and initiation on treatment.
	TB client death during treatment	*TB Register*	*772*	*1 115*	*561*		
	TB client initiated on treatment	*TB Register*	*22 853*	*31 869*	*17 711*		
2.4.7) Improve Drug Resistant TB outcomes by ensuring that 90% (or more) diagnosed MDR/XDR-TB patients are initiated on treatment by March 2020	11. TB MDR confirmed treatment initiation rate	EDR Web	100%	70%	89%	27.1%	Active case finding and contact tracing has been prioritised to improve early diagnosis and treatment initiation. Health care workers are encouraged to take three or more patient contact numbers to trace as soon as results are received.
	TB MDR confirmed client start on treatment	*MDR Register*	*3 906*	*4 200*	*2 904*		
	TB MDR confirmed client	*MDR Register*	*3 906*	*Not currently available from NHLS*	*3 281*		
2.4.4) Increase the MDR-TB treatment success rate to 75% (or	12. TB MDR treatment success rate	EDR Web	58%	62.5%	60%	(4%)	The lower than expected treatment success rate is due to loss to follow up and high death rate caused by late presentation at health facilities as well as poor management of side
	TB MDR client successfully completing treatment	*MDR Register*	*2 267*	*2 454*	*2 185*		

APP 2016/17: Page 123; Table 32 (DHS 9)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comment on Deviation**
more) by March 2020	*TB MDR confirmed client start on treatment*	*MDR Register*	*3 906*	*3 927*	*3 624*		effects. The Department initiated standardised patient literacy in all treatment initiating sites to decrease the loss to follow up.
Strategic Objective 2.4: Improve TB outcomes							
2.4.2) Reduce the TB incidence 400 (or less) per 100 000 by March 2020	13. TB incidence	ETR.Net	642.5/ 100 000	750/ 100 000	511.3/ 100 000	31.8%	New confirmed TB cases decreased with 13 429 since 2015/16 partly due to effective strategies to intensify TB case finding and prompt treatment initiation; as well as improved TB/HIV integration that reduce the risk of contracting TB.
	New confirmed TB cases	*TB Register*	*68 678*	*81 049*	*55 249*		
	Total population in KZN	*Stats SA*	*10 688 165*	*10 806 538*	*10 806 538*		
2.4.7) Improve Drug Resistant TB outcomes by ensuring that 90% (or more) diagnosed MDR/ XDR-TB patients are initiated on treatment by March 2020	14. Number of patients that started XDR-TB treatment	EDR Web	165	200	170	15%	The target was based on the assumption that improved surveillance will result in an increased number of detected XDR-TB patients. The improved TB success rate will have an impact on XDR-TB which will be actively monitored.
2.4.8) Maintain the MDR-TB six month interim outcome at 85% (or more) from March 2019 onwards	15. TB MDR six month interim outcome	EDR Web	18%	70%	71%	1.4%	The marginal variance is considered within an acceptable deviation range. Implementation of guidelines to re-enforce management of patients and effective data management contributed to the better than expected outcome.
	Number of patients with a negative culture at 6 months who started treatment for 9 months	*EDR Register*	*350*	*2 100*	*2 267*		
	Total patients who started treatment in the same period	*EDR Register*	*1 964*	*3 000*	*3 194*		
2.4.9) Increase the XDR-TB six month interim outcome to 80% by March 2020	16. XDR-TB six month interim outcome	EDR Web	5%	65%	64.4%	(0.9%)	The marginal variance is considered within an acceptable deviation range. Limitations as a result of the decreased number of TB Teams have an impact on follow-up of patients and compliance with treatment regimens.
	Number of clients with a negative culture at six months who has had started treatment for 9 months	*EDR Register*	*7*	*165*	*268*		
	Total of patients who started treatment in the same period	*EDR Register*	*142*	*255*	*416*		

APP 2016/17: Page 123; Table 32 (DHS 9)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comment on Deviation**
2.4.10) Maintain a 90% (or more) TB AFB sputum result turn-around time of under 48 hours from March 2018 onwards	17. TB AFB sputum result turn-around time under 48 hours rate	ETR.Net	83%	88%	85.1%	(3.3%)	There are still delays in receiving sputum results in clinics due to non-functional SMS Printers. The NHLS is in the process to update the SMS printers in PHC clinics.
	TB AFB sputum result received within 48 hours	*TB Register*	*297 181*	*611 600*	*469 678*		
	TB AFB sputum sample sent	*TB Register*	*358 027*	*695 000*	*551 553*		
2.4.11) Maintain TB (new pulmonary) cure rate of 85% from March 2017 onwards	18. TB (new pulmonary) cure rate	ETR.Net	79.8%	85%	84.1%	(1.1%)	The marginal variance is considered within an acceptable deviation range. The increase in loss to follow up (decrease of TB Teams for follow-up) and the number of TB deaths impacted negatively on the cure rate.
	TB (new pulmonary) client cured	*TB Register*	*18 249*	*26 549*	*14 901*		
	TB (new pulmonary) client initiated on treatment	*TB Register*	*22 853*	*31 235*	*17 711*		
Strategic Objective 2.2: Reduce HIV incidence							
2.2.1) Reduce the HIV incidence to 1% (or less) by March 2020 (ASSA 2008 estimates)	19. HIV incidence	ASSA2008 estimates	1.01%	1.01%	1.01%	0%	Target achieved - No deviation.
2.2.5) Decrease the STI incidence to 50/1000 by March 2020	20. STI treated new episode incidence (annualised)	DHIS	57.4/1 000	55.7/1000	45.1 / 1000[22]	19%	The better than expected performance may be attributed to continuous staff orientation with regards to use of clinical guidelines and use of the DISCA; and the increased focus on awareness campaigns.
	STI treated – new episode	*PHC/ Casualty Tick Registers*	*418 758*	*411 324*	*333 174*		
	Population 15 years and older	*Stats SA*	*7 263 166*	*7 379 570*	*7 379 570*		
2.2.6) Increase the HIV testing coverage to 65% by March 2020	21. HIV testing coverage (annualised)	DHIS	38%	46%	40%[23]	13%	The target included ANC clients that cannot currently be segregated out in DHIS into the ages of 15-49 years. There are still missed opportunities at facility level, which are being addressed through intensified strategies.
	HIV test client 15-49 years	*PHC/ Casualty Tick Registers*	*1 893 689*	*2 659 268*	*2 312 717*		
	Population 15-49 years	*DHIS/Stats SA*	*5 697 177*	*5 780 838*	*5 780 838*		

[22] Calculated manually using the 2016/17 APP population - DHIS (45) used the updated 2017 population
[23] Calculated manually using the 2016/17 APP population - DHIS (45.4%) used the updated 2017 population

Maternal, Neonatal, Child & Women's Health and Nutrition

Table 31: (MCWH1) Situation Analysis Indicators - 2016/17

APP 2016/17: Page 131; Table 34 (DHS 11)													
Indicator	**Type**	**Provincial 2016/17**	**Ugu 2016/17**	**Umgungundlovu 2016/17**	**Uthukela 2016/17**	**Umzinyathi 2016/17**	**Amajuba 2016/17**	**Zululand 2016/17**	**Umkhanyakude 2016/17**	**King Cetshwayo 2016/17**	**Ilembe 2016/17**	**Harry Gwala 2016/17**	**eThekwini 2016/17**
1. Antenatal 1st visit before 20 weeks rate	%	70.2%	70.1%	71.2%	71.0%	74.4%	70.2%	71.7%	72.5%	69.6%	72.3%	72.3%	67.6%
Antenatal 1st visit before 20 weeks	*No*	*140 867*	*9 197*	*12 194*	*8 751*	*8 797*	*6 361*	*12 655*	*10 706*	*13 604*	*8 409*	*6 790*	*43 403*
Antenatal 1st visit total	*No*	*200 689*	*13 127*	*17 122*	*12 334*	*11 822*	*9 066*	*17 645*	*14 769*	*19 553*	*11 623*	*9 393*	*64 235*
2. Mother postnatal visit within 6 days rate	%	66.8%	58.7%	67.3%	65.5%	64.0%	66.9%	52.7%	80.8%	66.4%	62.5%	64.2%	71.3%
Mother postnatal visit within 6 days after delivery	*No*	*120 018*	*7 113*	*10 704*	*7 627*	*6 789*	*5 684*	*8 658*	*11 218*	*12 107*	*6 107*	*4 915*	*39 094*
Delivery in facility total	*No*	*179 540*	*12 111*	*15 899*	*11 630*	*10 602*	*8 495*	*16 434*	*13 884*	*18 237*	*9 765*	*7 650*	*54 833*
3. Antenatal client initiated on ART rate	*%*	97.2%	89.2%	94.4%	101.6%	99.7%	94.6%	101.2%	99.6%	98.6%	98.2%	93.0%	97.4%
Antenatal client start on ART	*No*	*38 215*	*2 295*	*3 785*	*2 158*	*1 639*	*1 685*	*3 414*	*2 763*	*3 496*	*2 346*	*1 513*	*13 121*
Antenatal client eligible for ART initiation	*No*	*39 325*	*2 574*	*4 010*	*2 124*	*1 644*	*1 793*	*3 372*	*2 774*	*3 544*	*2 390*	*1 627*	*13 473*
4. Infant 1st PCR test positive around 10[24] weeks rate	*%*	1.1%	1.4%	1.0%	1.1%	0.8%	1.0%	0.9%	1.5%	1.0%	1.5%	0.8%	0.9%

[24] The APP data for this indicator refers to 6 weeks rate (that was reported at the time) - the 2016/17 actual data for 10 weeks rate is reflected in the next table

APP 2016/17: Page 131; Table 34 (DHS 11)													
Indicator	**Type**	**Provincial 2016/17**	**Ugu 2016/17**	**Umgungundlovu 2016/17**	**Uthukela 2016/17**	**Umzinyathi 2016/17**	**Amajuba 2016/17**	**Zululand 2016/17**	**Umkhanyakude 2016/17**	**King Cetshwayo 2016/17**	**Ilembe 2016/17**	**Harry Gwala 2016/17**	**eThekwini 2016/17**
Infant 1st PCR test positive around 10 weeks	*No*	*476*	*51*	*36*	*25*	*18*	*21*	*34*	*48*	*41*	*40*	*22*	*140*
Infant 1st PCR test around 10 weeks	*No*	*45 281*	*3 584*	*3 670*	*2 249*	*2 276*	*2 104*	*3 654*	*3 150*	*3 973*	*2 729*	*2 698*	*15 194*
5. Immunisation coverage under 1 year (annualised)	%	85.4%[25]	75.8%	62.3%	77.4%	87.3%	76.9%	76.8%	83.7%	81.4%	85.5%	70.4%	108.6%
Immunised fully under 1 year new	*No*	*189 516*	*12 674*	*13 089*	*12 375*	*10 559*	*9 723*	*15 648*	*13 250*	*18 829*	*11 295*	*9 128*	*62 946*
Population under 1 year	*No*	*221 991*	*16 718*	*21 020*	*15 979*	*12 090*	*12 642*	*20 374*	*15 835*	*23 205*	*13 212*	*12 957*	*57 959*
6. Measles 2nd dose coverage (annualised)	%	99.5%[26]	97.7%	81.3%	94.5%	107.5%	92.5%	94.1%	101.8%	96.9%	111.0%	105.7%	106.4%
Measles 2nd dose	*No*	*225 110*	*17 093*	*17 318*	*15 314*	*13 586*	*11 304*	*19 182*	*16 738*	*22 875*	*15 077*	*13 572*	*63 051*
Population 1 year	*No*	*226 330*	*17 499*	*21 311*	*16 202*	*12 633*	*12 219*	*20 390*	*16 438*	*23 597*	*13 581*	*12 788*	*59 672*
7. DTaP-IPV/Hib 3 - Measles 1st dose drop-out rate	%	-14.5%	-19.2%	-17.6%	-11.2%	3.7%	-16.2%	-18.4%	-18.1%	-11.9%	-26.7%	-21.1%	-12.6%
DTaP-IPV/Hib 3 to Measles1st dose drop-out	*No*	*-28 013*	*- 2 476*	*-2 585*	*-1 543*	*487*	*-1 456*	*-3 093*	*-2 549*	*-2 242*	*-3 028*	*-2 117*	*-7 411*
DTaP-IPV/Hib 3rd dose	*No*	*193 210*	*12 871*	*14 683*	*13 821*	*13 098*	*9 001*	*16 786*	*14 059*	*18 896*	*11 360*	*10 016*	*58 619*

[25] Manually calculated using the 2016/17 APP population - DHIS (85.4%) calculation used the updated 2017 population
[26] Manually calculated using the 2016/17 APP population - DHIS (99.8%) calculation used the updated 2017 population

APP 2016/17: Page 131; Table 34 (DHS 11)													
Indicator	**Type**	**Provincial 2016/17**	**Ugu 2016/17**	**Umgungundlovu 2016/17**	**Uthukela 2016/17**	**Umzinyathi 2016/17**	**Amajuba 2016/17**	**Zululand 2016/17**	**Umkhanyakude 2016/17**	**King Cetshwayo 2016/17**	**Ilembe 2016/17**	**Harry Gwala 2016/17**	**eThekwini 2016/17**
8. Child under 5 years diarrhoea case fatality rate	%	2.0%	1.8%	1.6%	2.4%	1.6%	0.6%	3.2%	2.3%	1.3%	2.9%	2.5%	1.8%
Child under 5 years with diarrhoea death	No	*192*	*12*	*13*	*15*	*11*	*3*	*35*	*21*	*15*	*12*	*14*	*41*
Child under 5 years with diarrhoea admitted	No	*9 765*	*669*	*825*	*625*	*690*	*541*	*1 110*	*902*	*1 162*	*413*	*571*	*2 257*
9. Child under 5 years pneumonia case fatality rate	%	1.8%	1.5%	1.6%	1.3%	1.6%	1.0%	3.2%	1.9%	1.3%	1.8%	2.1%	2.0%
Child under 5 years pneumonia death	No	*200*	*18*	*19*	*9*	*12*	*8*	*26*	*14*	*11*	*11*	*13*	*59*
Child under 5 years pneumonia admitted	No	*11 081*	*1 214*	*1 161*	*690*	*730*	*811*	*805*	*723*	*826*	*618*	*617*	*2 886*
10. Child under 5 years severe acute malnutrition case fatality rate	%	7.4%	7.2%	4.2%	14.2%	4.5%	6.1%	15.7%	5.6%	7.2%	3.4%	7.5%	6.2%
Child under 5 years severe acute malnutrition death	No	*230*	*19*	*9*	*30*	*11*	*7*	*47*	*13*	*25*	*9*	*15*	*45*
Child under 5 years severe acute malnutrition admitted	No	*3 122*	*265*	*213*	*211*	*243*	*115*	*299*	*232*	*348*	*264*	*201*	*731*

APP 2016/17: Page 131; Table 34 (DHS 11)													
Indicator	**Type**	**Provincial 2016/17**	**Ugu 2016/17**	**Umgungundlovu 2016/17**	**Uthukela 2016/17**	**Umzinyathi 2016/17**	**Amajuba 2016/17**	**Zululand 2016/17**	**Umkhanyakude 2016/17**	**King Cetshwayo 2016/17**	**Ilembe 2016/17**	**Harry Gwala 2016/17**	**eThekwini 2016/17**
11. School Grade 1 learners screening coverage (annualised)	%	26.3%	38.7%	16.5%	25.8%	26.6%	59.3%	34.7%	22.7%	18.8%	18.9%	40.6%	19.8%
School Grade 1 learners screened	No	*70 707*	*7 946*	*3 667*	*5 192*	*5 041*	*7 023*	*9 001*	*5 552*	*5 230*	*3 160*	*6 095*	*12 800*
School Grade 1 learners - total	No	*268 696*	*20 510*	*22 268*	*20 108*	*19 352*	*11 834*	*25 974*	*24 497*	*27 856*	*16 733*	*15 006*	*64 558*
12. School Grade 8 learners screening coverage (annualised)	%	16.4%	31.1%	80.4%	21.3%	13.1%	15.0%	18.0%	20.4%	15.3%	15.8%	24.3%	11.0%
School Grade 8 learners screened	No	*36 527*	*5 538*	*1 596*	*3 433*	*1 963*	*1 663*	*4 090*	*3 546*	*3 346*	*2 208*	*2 949*	*6 195*
School Grade 8 learners - total	No	*222 722*	*17 802*	*18 889*	*16 123*	*14 959*	*11 071*	*23 029*	*17 367*	*21 901*	*13 967*	*12 111*	*55 503*
13. Couple year protection rate (annualised)	%	53.9%[27]	49.8%	58.8%	54.9%	101.7%	52.8%	51.1%	48.4%	42.8%	56.0%	61.6%	49.0%
Contraceptive years dispensed[28]	No	*1 599 550*	*101 876*	*184 487*	*107 721*	*152 958*	*77 482*	*121 970*	*86 319*	*113 524*	*106 231*	*82 262*	*464 719*
Population 15-49 years females	No	*2 966 033*	*204 485*	*313 924*	*196 169*	*150 456*	*146 806*	*238 739*	*178 305*	*265 041*	*189 855*	*133 546*	*948 707*

[27] Manually calculated using the 2016/17 APP population - DHIS (53.6%) used the updated 2017 population

[28] Contraceptive years are the total of (Oral pill cycles / 13) + (Medroxyprogesterone injection / 4) + (Norethisterone enanthate injection / 6) + (IUCD x 4) + (Subdermal implant x3) + (Male condoms distributed / 200) + (Female condoms distributed / 200) + (Male sterilisation x 20) + (Female sterilisation x 10)

APP 2016/17: Page 131; Table 34 (DHS 11)													
Indicator	**Type**	**Provincial 2016/17**	**Ugu 2016/17**	**Umgungundlovu 2016/17**	**Uthukela 2016/17**	**Umzinyathi 2016/17**	**Amajuba 2016/17**	**Zululand 2016/17**	**Umkhanyakude 2016/17**	**King Cetshwayo 2016/17**	**Ilembe 2016/17**	**Harry Gwala 2016/17**	**eThekwini 2016/17**
14. Cervical cancer screening coverage (annualised)	%	86.0%[29]	91.8%	71.2%	93.0%	169.5%	89.6%	82.9%	89.4%	86.1%	85.2%	110.1%	73.3%
Cervical cancer screening in woman 30 years and older	*No*	*205 706*	*14 493*	*18 544*	*13 901*	*18 568*	*9 830*	*13 354*	*11 152*	*17 279*	*14 297*	*10 133*	*64 155*
Population 30 years and older female/10	*No*	*239 122*	*15 796*	*26 028*	*14 942*	*10 957*	*10 975*	*16 109*	*12 471*	*20 060*	*15 016*	*9 206*	*87 555*
15. Human papilloma virus vaccine 1st dose coverage	%	66.9%	65.2%	68.7%	66.6%	68.5%	73.1%	70.8%	73.0%	64.3%	68.4%	69.0%	61.8%
Girls 9 years and older that received HPV 1st dose	No	*65 341*	*3 523*	*5 174*	*4 140*	*5 928*	*3 833*	*7 497*	*5 769*	*5 848*	*3 316*	*3 788*	*16 525*
Grade 4 girl learners ≥ 9 years	No	*97 698*	*5 401*	*7 530*	*6 215*	*8 649*	*5 242*	*10 591*	*7 904*	*9 098*	*4 849*	*5 488*	*26 731*
16. Human papilloma virus vaccine 2ndt dose coverage	%	57.4%	46.5%	54.0%	54.4%	66.8%	56.0%	61.1%	74.4%	60.3%	55.1%	50.9%	51.6%
Girls 9 years and older that received HPV 2ndt dose	*No*	*64 973*	*4 527*	*5 042*	*4 657*	*5 178*	*3 913*	*6 852*	*7 030*	*6 781*	*3 336*	*3 191*	*14 466*
Grade 4 girl learners ≥ 9 years	*No*	*114 654*	*9 736*	*9 342*	*8 561*	*7 751*	*6 988*	*11 212*	*9 452*	*11 254*	*6 059*	*6 274*	*28 025*

[29] Manually calculated using the 2016/17 APP population – DHIS (85.6%) used the updated 2017 population

APP 2016/17: Page 131; Table 34 (DHS 11)													
Indicator	**Type**	**Provincial 2016/17**	**Ugu 2016/17**	**Umgungundlovu 2016/17**	**Uthukela 2016/17**	**Umzinyathi 2016/17**	**Amajuba 2016/17**	**Zululand 2016/17**	**Umkhanyakude 2016/17**	**King Cetshwayo 2016/17**	**Ilembe 2016/17**	**Harry Gwala 2016/17**	**eThekwini 2016/17**
17. Vitamin A dose 12-59 months coverage (annualised)	%	61.9%[30]	59.0%	64.6%	111.5%	49.9%	64.4%	68.0%	43.7%	39.0%	58.9%	73.0%	61.3%
Vitamin A dose 12 - 59 months	*No*	*1 141 124*	*85 826*	*111 369*	*145 747*	*51 854*	*60 898*	*110 752*	*58 958*	*74 833*	*64 906*	*73 376*	*302 605*
Population 12-59 months (multiplied by 2)	*No*	*1 841 762*	*145 408*	*172 930*	*130 686*	*103 908*	*94 606*	*162 812*	*135 050*	*191 888*	*110 186*	*100 484*	*493 804*
18. Infant exclusively breastfed at HepB 3rd dose rate	%	53.9%	47.3%	50.7%	67.7%	75.0%	57.6%	52.6%	59.2%	55.7%	60.1%	48.8%	45.9%
Infant exclusively breastfed at HepB 3rd dose	*No*	*104 402*	*6 111*	*7 461*	*9 359*	*9 817*	*5 194*	*8 841*	*8 325*	*10 527*	*6 839*	*4 887*	*27 041*
HepB 3rd dose under 1 year	*No*	*193 700*	*12 928*	*14 722*	*13 822*	*13 098*	*9 012*	*16 799*	*14 059*	*18 908*	*11 379*	*10 016*	*58 957*
19. Maternal mortality in facility ratio (annualised)	Ratio	106.7 / 100 000	132.6 / 100 000	178.2 / 100 000	112.1 / 100 000	28.3 / 100 000	130.3 / 100 000	98.0 / 100 000	43.4 / 100 000	132.9 / 100 000	62.0 / 100 000	79.0 / 100 000	112.7 / 100 000
Maternal death in facility	*No*	*190*	*16*	*28*	*13*	*3*	*11*	*16*	*6*	*24*	*6*	*6*	*61*
Live birth in facility	*No*	*178 066*	*12 062*	*15 717*	*11 592*	*10 604*	*8 440*	*16 327*	*13 834*	*18 064*	*9 683*	*7 593*	*54 150*
20. Inpatient early neonatal death rate	Ratio	9.7/ 1000	9.9/ 1000	8.5/ 1000	8.1/ 1000	9.9/ 1000	12.1/ 1000	9.7/ 1000	6.7/ 1000	9.5/ 1000	12.3/ 1000	12.5/ 1000	10.1/ 1000

[30] This indicator has been calculated manually using the 2016/17 APP population - DHIS (62%) used 2017 updated population for calculation

APP 2016/17: Page 131; Table 34 (DHS 11)													
Indicator	**Type**	**Provincial 2016/17**	**Ugu 2016/17**	**Umgungundlovu 2016/17**	**Uthukela 2016/17**	**Umzinyathi 2016/17**	**Amajuba 2016/17**	**Zululand 2016/17**	**Umkhanyakude 2016/17**	**King Cetshwayo 2016/17**	**Ilembe 2016/17**	**Harry Gwala 2016/17**	**eThekwini 2016/17**
Inpatient death early neonatal (0-7 days)	*No*	*1 736*	*119*	*133*	*94*	*105*	*102*	*158*	*93*	*172*	*119*	*95*	*546*
Live birth in facility	*No*	*178 066*	*12 062*	*15 717*	*11 592*	*10 604*	*8 440*	*16 327*	*13 834*	*18 064*	*9 683*	*7 593*	*54 150*

Table 32: Strategic Objectives, Indicators & Targets

APP 2016/17: Page 137; Table 36 (DHS 12)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comment on Deviation**
Strategic Objective 2.7: Reduce maternal mortality							
2.7.3) Increase the antenatal 1st visit before 20 weeks rate to 70% by March 2020	1. Antenatal 1st visit before 20 weeks rate	DHIS	64.8%	62.6%	70.2%	12.1%	The better than expected performance is partly ascribed to household pregnancy testing done by CCGs to improve early referral/ booking for antenatal care.
	Antenatal 1st visit before 20 weeks	*PHC Tick Register*	*135 367*	*146 402*	*140 867*		
	Antenatal 1st visit total	*DHIS*	*208 903*	*234 003*	*200 689*		
2.7.4) Maintain the postnatal visit within 6 days rate to 90% from March 2018	2. Mother postnatal visit within 6 days rate	DHIS	69.8%	82%	66.8%	(18.5%)	Hospital data for postnatal visits is not currently included as part of calculation for this indicator. Processes commenced to correct that for 2017/18 reporting. In addition, a post-natal package of care is being developed to improve postnatal care.
	Mother postnatal visit within 6 days after delivery	*PHC Tick Register*	*129 873*	*169 262*	*120 018*		
	Delivery in facility total	*Delivery Register*	*186 063*	*206 969*	*179 540*		
2.7.5) Initiate 99% eligible antenatal clients	3. Antenatal client initiated on ART rate	DHIS	97.6%	97%	97.2%	0.2%	The marginal deviance is considered within an acceptable deviation range.

APP 2016/17: Page 137; Table 36 (DHS 12)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comment on Deviation**
on ART by March 2019	*Antenatal client initiated on ART*	*ART Register*	*43 733*	*64 117*	*38 215*		Implementation of the "Safer Conception" strategy in 6 districts has had an impact on early ANC booking.
	Antenatal client eligible (known HIV positive but not on ART) for ART initiation	*ART Register*	*44 786*	*66 100*	*39 325*		
Strategic Objective 2.5: Reduce infant mortality							
2.5.2) Reduce the mother to child transmission of HIV to less than 0.5% by March 2020	4. Infant 1st PCR test positive around 10 weeks rate	DHIS	1.2%	<1%	1.1%	(10%)	Poor feeding practices remain a challenge, which is being addressed through intensified strategies. The actual number of infants that tested positive has declined by 45 from 2015/16, while the number of babies tested increased with 881.
	Infant 1st PCR test positive around 10 weeks	*PHC Tick Register*	*521*	*972*	*476*		
	Infant 1st PCR test around 10 weeks	*PHC Tick Register*	*44 400*	*97 220*	*45 281*		
Strategic Objective 2.6: Reduce under 5 mortality							
2.6.3) Maintain immunisation coverage of 90% (or more) from March 2016 onwards	5. Immunisation coverage under 1 year (annualised)	DHIS	85.0%	92%	85.4%	(7.2%)	A high number of children complete the scheduled immunisation after 12 months. Vaccine stock-out rates at facility level also contributed to the lower than expected coverage. Social mobilisation is being strengthened and the Reach Every District (RED) strategy is being prioritised to improve coverage and data quality.
	Immunised fully under 1 year new	*PHC Tick Register*	*191 946*	*204 231*	*189 516*		
	Population under 1 year	*Stats SA*	*227 216*	*221 991*	*221 991*		
2.6.4) Maintain the measles 2nd dose coverage of 90% (or more) from March 2017 onwards	6. Measles 2nd dose coverage (annualised)	DHIS	86.2%	90%	99.5%	10.6%	The higher than expected performance may have been as a result of the catch-up drive was conducted to reach children that missed their immunisation.
	Measles 2nd dose	*PHC Tick Register*	*189 035*	*199 792*	*225 110*		
	Population 1 year	*Stats SA*	*227 216*	*221 991*[31]	*226 330*		

[31] The incorrect population figure was used in the target that was set – this has been corrected for reporting purposes after tabling of the 2016/17 APP

APP 2016/17: Page 137; Table 36 (DHS 12)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comment on Deviation**
2.6.5) Reduce the measles drop-out rate to less than 3% by March 2020	7. DTaP-IPV/Hib 3 - Measles 1st dose drop-out rate	DHIS	-6.8%	6%	-14.5%	(141.7%)	The change in the immunisation schedule; incorrect recording of new vaccines; and stock-out of certain vaccines (Hexavalent); as well as mothers not bring children for vaccination according to immunisation schedule impacted on the quality (performance) of this indicator.
	DTaP-IPV/Hib 3 to Measles1st dose drop-out	*PHC Tick Register*	*-12 964*	*13 855*	*-28 013*		
	DTaP-IPV/Hib 3rd dose	*PHC Tick Register*	*191 939*	*230 925*	*193 210*		
2.6.6) Reduce the under-5 diarrhoea case fatality rate to less than 2% by March 2020	8. Child under 5 years diarrhoea case fatality rate	DHIS	2.2%	2.8%	2.0%	28.5%	Contributing factors to the better than expected performance includes improved management of diarrhoeal disease at both community and facility levels; and good Rota virus immunisation coverage.
	Child under 5 years with diarrhoea death	*Tick Register/ Death Register*	*221*	*286*	*192*		
	Child under 5 years with diarrhoea admitted	*Admission records*	*10 259*	*10 100*	*9 765*		
2.6.7) Reduce the under-5 pneumonia case fatality rate to less than 2% by March 2020	9. Child under 5 years pneumonia case fatality rate	DHIS	2.7%	3%	1.8%	40%	Contributing factors to the better than expected performance includes improved management of respiratory diseases; and good pneumococcal virus (PCV) immunisation coverage.
	Child under 5 years pneumonia death	*Tick Register/ Death Register*	*308*	*312*	*200*		
	Child under 5 years pneumonia admitted	*Admission records*	*11 215*	*10 435*	*11 081*		
2.6.8) Reduce the under-5 severe acute malnutrition case fatality rate to 6% by March 2020	10. Child under 5 years severe acute malnutrition case fatality rate	DHIS	7.7%	8%	7.4%	7.5%	Contributing factors to the better than expected performance includes increased awareness of the effective prevention and management of severe acute malnutrition; and robust implementation of the severe acute malnutrition strategy.
	Child under 5 years severe acute malnutrition death	*Tick Register/Death Register*	*281*	*304*	*230*		
	Child under 5 years severe acute malnutrition admitted	*Admission records*	*3 664*	*3 800*	*3 122*		
Strategic Objective 1.5: Accelerate implementation of PHC re-engineering							
1.5.9) Increase school health screening	11. School Grade 1 screening coverage (annualised)	DHIS	22.1%	25%	26.3%	5.2%	Due to fiscal constraints and limited resources, screening of Grade 1 learners was prioritised,

APP 2016/17: Page 137; Table 36 (DHS 12)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comment on Deviation**
coverage with at least 15% per annum	*School Grade 1 learners screened*	*SHS Records*	*59 253*	*65 605*	*70 707*		which resulted in the higher than expected coverage.
	School Grade 1 learners - total	*DoE*	*268 182*	*262 601*	*268 696*[32]		
	12. School Grade 8 learners screening coverage (annualised)	DHIS	10.2%	20%	16.4%	(18%)	Due to fiscal constraints and limited resources, screening of Grade 1 learners was prioritised, which resulted in the lower than expected coverage for Grade 8 learners.
	School Grade 8 learners screened	*SHS Records*	*22 660*	*41 455*	*36 527*		
	School Grade 8 learners - total	*DoE*	*222 596*	*207 277*	*222 722*[33]		
Strategic Objective 2.8: Improve women's health							
2.8.1) Increase the couple year protection rate to 75% by March 2020	13. Couple year protection rate (annualised)	DHIS	52.0%	60%	53.9%[34]	(10.2%)	This is a demand driven indicator that is difficult to predict with 100% accuracy. Limiting factors include negative client attitudes towards modern contraception; training gap at especially sub-district/ facility levels; and poor marketing of long acting reversible contraceptives including Implanon and the intra uterine device.
	Contraceptive years dispensed[35]	*Tick Register*	*1 555 481*	*1 779 620*	*1 599 550*		
	Population 15-49 years females	*Stats SA*	*2 929 747*	*2 966 034*	*2 966 034*		
2.8.2) Maintain the cervical cancer screening coverage of 75% (or more)	14. Cervical cancer screening coverage (annualised)	DHIS	72.7%	75%	86%[36]	14.7%	The significantly better than expected performance is contributed to reviving of the Phila Ma campaign to increase screening for breast and cervical cancer. Emphasis placed on improving smear adequacy and effective management of abnormal Pap smears. Decentralisation of treatment at selected District Hospitals will commence in 2017/18 with procurement of 15 LLETZ machines.
	Cervical cancer screening in woman 30 years and older	*PHC Tick Register/ Hospital Register*	*171 150*	*179 341*	*205 706*		
	Population 30 years and older female/10	*Stats SA*	*234 228*	*239 122*	*239 122*		

[32] The denominator was updated on DHIS after the publication of the 2016/17 APP
[33] The denominator was updated on DHIS after the publication of the 2016/17 APP
[34] Indicator manually calculated using the 2016/17 APP population - DHIS (53.6%) uses the updated 2017 population
[35] Contraceptive years total (Oral pill cycles / 13) + (Medroxyprogesterone injection / 4) + (Norethisterone enanthate injection / 6) + (IUCD x 4) + (Subdermal implant x3) + (Male condoms distributed / 200) + (Female condoms distributed / 200) + (Male sterilisation x 20) + (Female sterilisation x 10)
[36] Indicator manually calculated using the 2016/17 APP population - DHIS (85.6%) used the updated 2017 population

APP 2016/17: Page 137; Table 36 (DHS 12)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comment on Deviation**
2.8.3) Maintain 90% (or more) HPV vaccine 1st dose coverage from March 2018 onwards	15. Human papilloma virus (HPV) 1st dose coverage	DHIS	64.5%	85%	66.9%	(21.3%)	There are still challenges with the capturing of electronic data partly due to the lack of network capacity. It is noted that the number of girls vaccinated (1st dose) increased with 23 398 compared with 2015/16.
	Girls 9 years and older that received HPV 1st dose	*Tick Register School Health*	*41 943*	*79 475*	*65 341*		
	Grade 4 girl learners total minus girls under 9 years	*DHIS/ DOE Enrolment*	*65 033*	*93 500*	*97 698*		
	16. HPV 2nd dose coverage	DHIS	Not reported	85%	57.4%	(32.4%)	
	Girls 9 years and older that received HPV 2nd dose	*Tick Register School Health*	-	*79 475*	*64 973*		
	Grade 4 learners total minus girls under 9 years	*DHIS/ DOE Enrolment*	-	*93 500*	*114 654*		
Strategic Objective 2.6: Reduce under 5 mortality							
2.6.9) Increase the Vit A dose 12-59 month coverage to 80% by March 2020	17. Vitamin A dose 12-59 months coverage (annualised)	DHIS	63.7%	65%	61.9%[37]	(4.8%)	The main challenges that contributed to the lower than expected performance are challenges with the Web-based DHIS (being addressed at Provincial level); and misinterpretation of the indicator at facility level (being addressed at facility level during supervisory and monitoring visits).
	Vitamin A dose 12 - 59 months	*PHC Tick Register*	*1 179 912*	*1 169 528*	*1 141 120*		
	Population 12-59 months (multiplied by 2)	*Stats SA*	*1 853 702*	*1 799 275*	*1 841 762*		
Strategic Objective 2.5: Reduce infant mortality							
2.5.1) Reduce the infant mortality rate to 29 per 1000 live birth by March 2020	18. Infant exclusively breastfed at DTaP-IPV-Hib-HBV 3rd dose rate	DHIS	Not reported	55%	53.9%	(2%)	Data collection and information flow remains a challenge, exacerbated by the paper-based system used in some facilities.
	Infant exclusively breastfed at HepB (DTaP-IPV-Hib-HBV) 3rd dose	*PHC Tick Register*	-	*121 796*	*104 402*		
	HepB 3rd dose	*PHC Tick Register*	-	*221 448*	*193 700*		
Strategic Objective 2.7: Reduce maternal mortality							

[37] This indicator was calculated manually using the 2016/17 APP population - DHIS (62%) used the 2017 population for calculation

APP 2016/17: Page 137; Table 36 (DHS 12)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comment on Deviation**
2.7.1) Reduce the maternal mortality in facility ratio to 100 (or less) per 100 000 live births by March 2020	19. Maternal mortality in facility ratio (annualised)	DHIS	121.1/100 00	115/100 000	106.7 / 100 000	7.2%	The better than expected performance is due to the upskilling of health care workers e.g. ESMOE training; Implementation of minimum standards of CD safety; Basic Antenatal Care (BANC)+; Household pregnancy testing; and Strengthening mentoring of midwives post training.
	Maternal death in facility	*Midnight Census/ Death Register*	*223*	*236*	*190*		
	Live birth in facility	*Delivery Register*	*184 184*	*205 712*	*178 066*		
Strategic Objective 2.5: Reduce infant mortality							
2.5.3) Reduce the early neonatal death rate to less than 8/ 1000 by March 2020	20. Neonatal death in facility rate	DHIS	10.6/ 1000	9.3/ 1000	9.7/ 1000	(4.3)	Although the target has not been met, the Department considers the decrease of 214 (11%) deaths since 2015/16 a positive result. The neonatal mortality rate has declined in 8 districts, with the majority of deaths due to prematurity. Obstetric care is being strengthened to ensure that all women in preterm labour receive antenatal steroids.
	Inpatient neonatal death early (0-28 days)	*Midnight Census/ Death Register*	*1 950*	*1 979*	*1 736*		
	Live birth in facility	*Delivery Register*	*184 184*	*193 327*	*178 066*		
Strategic Objective 2.5: Reduce infant mortality							
2.5.1) Reduce the infant mortality rate to 29 per 1000 live births by March 2020	21. Infant mortality rate	ASSA2008 (2011) Stats SA and RMS[38] (2012 onwards)	31/ 1000	30/1000	31/ 1000	(3.3%)	The marginal variance is considered within an acceptable deviation range. Noting other contributing factors that have a significant impact on infant mortality including social determinants of health e.g. poverty, deprivation, unemployment, access to basic services (water, sanitation, etc.), education, etc.
Strategic Objective 2.6: Reduce under 5 mortality							

[38] Rapid Mortality Surveillance

APP 2016/17: Page 137; Table 36 (DHS 12)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comment on Deviation**
2.6.1) Reduce the under 5 mortality rate to 40 per 1000 live births by March 2020	22. Under 5 mortality rate	ASSA2008 (2011) Stats SA and RMS (2012 onwards)	42/ 1000	41.5/ 1000	42/ 1000	(1.2%)	The marginal variance is considered within an acceptable deviation range. Noting other contributing factors that have a significant impact on infant mortality including social determinants of health e.g. poverty, deprivation, unemployment, access to basic services (water, sanitation, etc.), education, etc.
2.6.10) Reduce under-5 diarrhoea with dehydration incidence to 10 per 1000 by March 2020	23. Child under 5 years diarrhoea with dehydration incidence (annualised)	DHIS	10.4/ 1000	11.6/ 1000	12.5/ 1000	(7.8%)	Noting the significant impact of socio-economic and other risk factors on the diarrhoea incidence including HIV infection, poverty and deprivation, under-nutrition, poor hygiene, poor access to basic services e.g. water and sanitation. The Department continue to prioritise exclusive breastfeeding; Vitamin A supplementation; improved coverage with ROTA virus vaccination as part of the immunisation schedule.
	Child under 5 years diarrhoea with dehydration new	*PHC Tick Register*	*11 993*	*13 257*	*14 294*		
	Population under 5 years	*Stats SA*	*1 154 059*	*1 142 878*	*1 142 878*		
2.6.11) Reduce the under-5 pneumonia incidence to 85 per 1000 by March 2020	24. Child under 5 years pneumonia incidence (annualised)	DHIS	74.5/ 1000	82/ 1000	58/ 1000	29.3%	The significant reduction in pneumonia incidence is noted. Pneumococcal vaccination (as part of the immunisation schedule) as well as improved health seeking behaviour of care givers contributed to significant reduction.
	Child under 5 years with pneumonia new	*PHC Tick Register*	*85 715*	*93 716*	*66 150*		
	Population under 5 years	*Stats SA*	*1 154 059*	*1 142 878*	*1 142 878*		
2.6.2) Reduce severe acute malnutrition incidence under 5 years to 4.6 per 1000 by March 2020	25. Child under 5 years severe acute malnutrition incidence (annualised)	DHIS	5.3/ 1000	5.2/ 1000	4.6/ 1000	11.5%	The better than expected performance is contributed to intensified strategies to increase awareness on the early identification of malnutrition; increased growth monitoring at community and facility levels; appropriate referral and management of malnutrition; and promotion of breastfeeding.
	Child under 5 years with severe acute malnutrition new	*PHC Tick Register*	*6 136*	*5 943*	*5 192*		
	Population under 5 years	*Stats SA*	*1 154 059*	*1 142 878*	*1 142 878*		
2.6.12) Reduce the child under 1 year mortality in facility rate to less than 5.5% by March	26. Child under 1 year mortality in facility rate (annualised)	DHIS	7.4%	6.3%	6.4%	(1.5%)	The marginal deviance is considered within an acceptable deviation range. The major contributor to under-1 year deaths
	Inpatient death under 1 year	*Death Register*	*3 381*	*3 253*	*2 838*		

APP 2016/17: Page 137; Table 36 (DHS 12)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comment on Deviation**
2020	*Inpatient separations under 1 year*	*Midnight Census/ Admissions & Discharge Register*	*45 780*	*51 634*	*44 252*		remains neonatal deaths. Mortality audits have been prioritised to identify modifiable factors that will inform further strategies and interventions to address those.
2.6.13) Reduce the inpatient death under-5 rate to less than 4.5% by March 2020	27. Inpatient death under 5 year rate	DHIS	5.1%	5.4%	4.5%	16.6%	Maintained existing services/ programmes for effective clinical management of the sick child; and actively promoting community-based programmes targeting children including services rendered at Phila Mntwana Centres.
	Inpatient death under 5 years	*Death Register*	*4 009*	*4 369*	*3 326*		
	Inpatient separations under 5 years	*Midnight Census/ Admissions & Discharge Register*	*77 563*	*80 877*	*74 612*		

Disease Prevention and Control

Table 33: (DCP1) Situation Analysis Indicators - 2016/17

APP 2016/17: Page 149; Table 38 (DHS 14)													
Indicator	**Type**	**Provincial 2016/17**	**Ugu 2016/17**	**Umgungundlovu 2016/17**	**Uthukela 2016/17**	**Umzinyathi 2016/17**	**Amajuba 2016/17**	**Zululand 2016/17**	**Umkhanyakude 2016/17**	**King Cetshwayo 2016/17**	**Ilembe 2016/17**	**Harry Gwala 2016/17**	**eThekwini 2016/17**
1. Clients screened for hypertension	No	10 537 695	826 335	906 380	720 916	319 503	398 449	821 000	664 478	1 024 700	721 417	477 550	3 656 967
2. Clients screened for diabetes	No	10 214 520	967 511	703 207	827 981	352 418	438 002	1 021 480	925 629	1 114 375	700 026	484 870	2 679 021
3. Clients screened for mental health	No	6 550 458	1 233 653	307 314	476 185	156 351	451 435	345 146	209 918	495 068	436 574	374 708	2 064 106
4. Cataract surgery rate (annualised)	Rate	888.1 / 1 mil	2 011.1 / I mil	1 570.6 / 1 mil	584.5 / 1 mil	1 169.8 / 1 mil	1 607 / 1 mil	0 / 1 mil	879.4 / 1 mil	1 122.2 / 1 mil	330.2 / 1 mil	1 643.2 / 1 mil	713.5 / 1 mil
Cataract surgery total	*No*	*8 556*	*1 361*	*1 547*	*366*	*550*	*76*	*0*	*514*	*969*	*195*	*721*	*2 257*
Population uninsured total	*No*	*9 633 452*	*676 722*	*984 962*	*626 142*	*470 132*	*472 861*	*762 085*	*584 443*	*863 466*	*590 501*	*438 769*	*3 163 289*
5. Malaria case fatality rate[39]	Rate	1.2%	0%	0%	0%	0%	0%	11.1%	0.89%	3.2%	0%	0%	0%
Deaths from malaria	*No*	*7*	*0*	*0*	*0*	*0*	*0*	*2*	*2*	*3*	*0*	*0*	*0*
Total number of Malaria cases reported	*No*	*557*	*11*	*17*	*5*	*6*	*3*	*18*	*224*	*91*	*7*	*4*	*171*

[39] Source: CARC Report

Table 34: Strategic Objectives, Indicators & Targets

APP 2016/17: Page 150; Table 40 (DHS 15)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comment on Deviation**
Strategic Objective 2.9: Reduce incidence of non-communicable diseases							
2.9.3) Screen at least 12 million people for hypertension by March 2020	1. Clients screened for hypertension	DHIS/ PHC Tick Register	7 706 460	7 980 052	10 537 695	32.1%	The better than expected performance is due to routine screening being included for reporting on this indicator. The Department developed a Standard Operating Procedure to improve compliance to guidelines i.e. including screening of new clients only.
2.9.4) Screen at least 8 million people for diabetes by March 2020	2. Clients screened for diabetes	DHIS/ PHC Tick Register	5 685 791	5 127 276	10 214 520	99.2%	
2.9.5) Increase the number of people screened for mental disorders with at least 20% per annum	3. Clients screened for mental health	DHIS/ PHC Tick Register	1 135 000	100 000	6 550 458	6.5%	
2.9.6) Increase the cataract surgery rate to more than 1 650 per 1 million uninsured people by March 2020	4. Cataract surgery rate (annualised)	DHIS	588.7/1 mil uninsured pop	1 154/ 1mil uninsured pop	888.1 / 1 mil uninsured pop	(23.0%)	Insufficient resources including equipment and human resources impacted negatively on the performance against the target. The procurement of equipment has been prioritised for the 2017/18 MTEF.
	Total number of cataract surgeries completed	*DHIS/ Theatre Register*	*5 487*	*11 118*	*8 556*		
	Population uninsured	*Stats SA*	*9 320 082*	*9 633 452*	*9 633 452*		
Strategic Objective 2.10: Eliminate malaria							
2.10.2) Maintain malaria case fatality rate of less than 0.5% from March 2017 onwards	5. Malaria case fatality rate	Malaria Register	1%	<0.5%	1.2%	(140%)	Late reporting for treatment (especially cross border cases) is still a challenge that affects treatment outcomes. The Department continues to implement strategies for the elimination of malaria.
	Deaths from malaria	*Malaria Register*	*5*	*2*	*7*		
	Total number of Malaria cases reported	*Malaria Register*	*502*	*577*	*557*		
2.10.1) Zero new local malaria cases by March	6. Malaria incidence per 1000 population at risk	Malaria register	0.8/ 1000 pop at risk	<1/ 1000 pop at risk	0.3 / 1000 pop at risk	0%	The target of less than 1/ 1000 population at risk has been achieved.

APP 2016/17: Page 150; Table 40 (DHS 15)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comment on Deviation**
2020	*Number of malaria cases (new)*	*Malaria Register*	*502*	*61*	*224*[40]		
	Population Umkhanyakude	*Stats SA*	*649 645*	*655 616*	*655 616*		
Strategic Objective 2.9: Reduce incidence of non-communicable diseases							
2.9.1) Decrease the hypertension incidence by at least 10% per annum	7. Hypertension incidence (annualised)	DHIS	18.6/1000	19/ 1000	21.8 / 1000[41]	(14.7%)	The Department scaled up community-based services/ programmes to improve screening and early detection, which increased the number of new cases reported at facility level. The increase in incidence is therefore directly linked with improved screening and detection. Trends are being monitored.
	Hypertension client treatment new	*PHC Tick Register*	*48 837*	*50 938*	*58 396*		
	Population 40 years and older	*Stats SA*	*2 547 127*	*2 680 947*	*2 680 947*		
2.9.2) Decrease the diabetes incidence by at least 10% per annum	8. Diabetes incidence (annualised)	DHIS	2.2/1000	1.3/ 1000	2.8 / 1000	(115.4%	
	Diabetes client treatment new	*PHC Tick Register*	*27 641*	*14 429*	*29 943*		
	Population total	*Stats SA*	*10 688 165*	*10 806 538*	*10 806 538*		
2.9.7) Improve access to rehabilitation services at all levels of care	9. Number of clients accessing rehabilitation services	DHIS	865 771	1 012 718	959 918	(5.2%)	This is a demand driven indicator and the Department is therefore not able to predict utilisation with 100% accuracy. There is a high staff turn-over of therapists which affects outreach services. Defaulting patients also affects patient numbers.

[40] Includes new cases specific to Umkhanyakude District which is the high risk area in KZN (at risk population)
[41] The indicator was calculated manually using the 2016/17 APP population - DHIS (21.7) used the updated 2017 population for calculation

District Hospitals

Table 35: (DHS6) Situation Analysis Indicators - 2016/17

APP 2015/16: Page 107; Table 26 (DHS 5)													
Indicators	**Type**	**Provincial 2016/17**	**Ugu 2016/17**	**UMgungundlovu 2016/17**	**Uthukela 2016/17**	**Umzinyathi 2016/17**	**Amajuba 2016/17**	**Zululand 2016/17**	**Umkhanyakude 2016/17**	**King Cetshwayo District 2016/17**	**Ilembe 2016/17**	**Harry Gwala 2016/17**	**eThekwini 2016/17**
1. National core standards self-assessment rate	%	55.3%	100%	50.0%	100%	100%	0%	20.0%	60.0%	50.0%	0.0%	50.0%	66.7%
Number of District Hospitals that conducted national core standards self-assessment to date in the current financial year	*No*	*21*	*3*	*1*	*2*	*4*	*0*	*1*	*3*	*3*	*0*	*2*	*2*
District Hospitals total	*No*	*38*	*3*	*2*	*2*	*4*	*1*	*5*	*5*	*6*	*3*	*4*	*3*[42]
2. Quality Improvement Plan after self-assessment rate	%	33.3%	33.3%	0%	50.0%	0%	0%	0%	100%	0%	0%	100%	0%
Number of District Hospitals that developed a quality improvement plan to date in the current financial year	*No*	*7*	*1*	*0*	*1*	*0*	*0*	*0*	*3*	*0*	*0*	*2*	*0*
Number of District Hospitals that conducted national core standard self-assessment to date in the current financial year	*No*	*21*	*3*	*1*	*2*	*4*	*0*	*1*	*3*	*3*	*0*	*2*	*2*

[42] Excluding St Mary's Marianhill Hospital (State Aided)

APP 2015/16: Page 107; Table 26 (DHS 5)													
Indicators	**Type**	**Provincial 2016/17**	**Ugu 2016/17**	**UMgungundlovu 2016/17**	**Uthukela 2016/17**	**Umzinyathi 2016/17**	**Amajuba 2016/17**	**Zululand 2016/17**	**Umkhanyakude 2016/17**	**King Cetshwayo District 2016/17**	**Ilembe 2016/17**	**Harry Gwala 2016/17**	**eThekwini 2016/17**
3. Percentage of hospitals compliant with all extreme and vital measures of the national core standards	%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total number of District Hospitals that are compliant to all extreme measures and at least 90% of vital measures of national core standards	*No*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Number of District Hospitals that conducted national core standards self-assessment to date in the current financial year	*No*	*21*	*3*	*1*	*2*	*4*	*0*	*1*	*3*	*3*	*0*	*2*	*2*
4. Client satisfaction survey rate	%	97.4%	66.6%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Total number of District Hospitals that conducted a Client Satisfaction survey to date in the current financial year	*No*	*37*	*2*	*2*	*2*	*4*	*1*	*5*	*5*	*6*	*3*	*4*	*3*
Total number of District Hospitals	*No*	*38*	*3*	*2*	*2*	*4*	*1*	*5*	*5*	*6*	*3*	*4*	*3*[43]
5. Client satisfaction rate	*%*	91.0%	99.2%	86.0%	88.6%	87.8%	99.4%	91.7%	84.4%	87.2%	85.0%	83.2%	75.0%

[43] Includes King Dinuzulu Hospital; exclude St Mary's Hospital (State Aided) and McCords Hospital (Provincial Specialised Eye Care Hospital)

APP 2015/16: Page 107; Table 26 (DHS 5)													
Indicators	**Type**	**Provincial 2016/17**	**Ugu 2016/17**	**UMgungundlovu 2016/17**	**Uthukela 2016/17**	**Umzinyathi 2016/17**	**Amajuba 2016/17**	**Zululand 2016/17**	**Umkhanyakude 2016/17**	**King Cetshwayo District 2016/17**	**Ilembe 2016/17**	**Harry Gwala 2016/17**	**eThekwini 2016/17**
Total number of clients that were satisfied with services(scoring 80% or more on survey results) to date in the current financial year	*No*	*119 831*	*9 615*	*499*	*30 387*	*6 887*	*6 840*	*57 737*	*211*	*163*	*530*	*6 959*	*713*
Total number of clients that participated in survey to date in the current financial year	*No*	*131 666*	*9 690*	*580*	*34 314*	*7 844*	*6 881*	*62 933*	*250*	*187*	*623*	*8 360*	*951*
6. Average length of stay	Days	5.7 Days	5.9 Days	5.3 Days	5.2 Days	6.0 Days	4.5 Days	5.4 Days	5.0 Days	6.4 Days	6.2 Days	4.9 Days	7.0 Days
Inpatient days - total	*No*	*1 909 462*	*192 129*	*159 191*	*101 872*	*218 122*	*12 155*	*268 126*	*238 343*	*195 945*	*68 342*	*148 949*	*306 288*
Day patients	*No*	*14 698*	*481*	*1 613*	*418*	*803*	*574*	*1 579*	*535*	*653*	*544*	*1 112*	*6 386*
Inpatient separations	*No*	*336 487*	*32 721*	*30 437*	*19 594*	*36 782*	*2 760*	*49 486*	*47 829*	*30 995*	*11 218*	*30 573*	*44 092*
7. Inpatient bed utilisation rate[44]	*%*	57.8%[45]	65.3%	76.7%	60.4%	51.9%	65.5%	59.2%	58.1%	44.4%	49.3%	57.2%	62.8%
Inpatient days - total	*No*	*1 909 462*	*192 129*	*159 191*	*101 872*	*218 122*	*12 155*	*268 126*	*238 343*	*195 945*	*68 342*	*148 949*	*306 288*
Day patients	*No*	*14 698*	*481*	*1 613*	*418*	*803*	*574*	*1 579*	*535*	*653*	*544*	*1 112*	*6 386*
Inpatient bed days available	*No*	*3 312 010*	*294 555*	*208 415*	*168 995*	*421 210*	*18 980*	*54 060*	*410 260*	*442 380*	*139 430*	*260 975*	*492 750*
8. Expenditure per PDE[46]	R	R 2 228	-	-	-	-	-	-	-	-	-	-	-
Expenditure total	*R' 000*	R6 069 456	-	-	-	-	-	-	-	-	-	-	-

[44] This indicator has been calculated manually due to the transition from DHIS 1.4 to Web Based DHIS
[45] Manually calculated to make provision for variations in inpatient bed days - DHIS (57%) averaged DHIS data on inpatient bed days
[46] District-specific expenditure data not available

APP 2015/16: Page 107; Table 26 (DHS 5)													
Indicators	**Type**	**Provincial 2016/17**	**Ugu 2016/17**	**UMgungundlovu 2016/17**	**Uthukela 2016/17**	**Umzinyathi 2016/17**	**Amajuba 2016/17**	**Zululand 2016/17**	**Umkhanyakude 2016/17**	**King Cetshwayo District 2016/17**	**Ilembe 2016/17**	**Harry Gwala 2016/17**	**eThekwini 2016/17**
Patient day equivalent	*No*	2 723 880	281 274	257 749	142 017	299 937	22 258	371 242	331 480	306 035	93 572	212 253	406 063[47]
9. Complaint resolution rate	%	78.6%	87.4%	78.4%	74.8%	83.9%	85.1%	85.5%	94.5%	78.3%	91.2%	72.8%	63.5%
Complaint resolved	*No*	*1 982*	*249*	*127*	*80*	*151*	*40*	*177*	*275*	*206*	*114*	*150*	*413*
Complaint received	*No*	*2 523*	*285*	*162*	*107*	*180*	*47*	*207*	*291*	*263*	*125*	*206*	*650*
10. Complaint resolution within 25 working days rate	%	92.1%	98.8%	87.4%	91.3%	74.2%	97.5%	97.2%	94.2%	94.7%	98.2%	97.3%	87.2%
Complaint resolved within 25 working days	*No*	*1 825*	*246*	*111*	*73*	*112*	*39*	*172*	*259*	*195*	*112*	*146*	*360*
Complaint resolved	*No*	*1 982*	*249*	*127*	*80*	*151*	*40*	*177*	*275*	*206*	*114*	*150*	*413*

[47] Excludes St Mary's Hospital Marianhill (State Aided)

Table 36: Strategic Objectives, Indicators and Targets

APP 2016/17: Page 112; Table 28 (DHS 6)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comment on Deviation**
Strategic Objective 5.1: Improve compliance to the Ideal Clinic and National Core Standards							
5.1.3) 100% Public health hospitals conduct annual national core standard self-assessments by March 2017	1. National core standards self-assessment rate	DHIS	73.4%	100%	55.3%	(44.7%)	Inadequate resources and consequent support to ensure complete self-assessments at facility level. Partial self-assessments are not considered for reporting on this indicator.
	Number of District Hospitals that conducted national core standard self-assessment to date in the current financial year	*Self-Assessment Records*	*28*	*38*	*21*		
	District Hospitals total	*DHIS*	*38*	*38*	*38*		
5.1.4) 100% Public health hospitals develop and implement Quality Improvement Plans based on national core standard assessment outcomes by March 2017	2. Quality improvement plan after self-assessment rate	*QA Database*	50%	100%	33.3%	(67%)	Inadequate coordination to ensure effective development and implementation of quality improvements plans.
	Number of District Hospitals that developed a quality improvement plan to date in the current financial year	*Quality Improvement Plans*	*14*	*38*	*7*		
	Number of District Hospitals that conducted national core standard self-assessment to date in the current financial year	*Self-Assessment Records*	*28*	*38*	*21*		
5.1.2) 60% (or more) public health hospitals compliant with extreme and vital measures of the national core standard by March 2020	3. Percentage of hospitals compliant with all extreme and vital measures of the national core standards	*DHIS*	3.5%	21%	0%	(100%)	Results of NCS compliance rating: 80%. Extreme standards rating (80%); and Vital standards rating (79%). Reasons for non-compliance include lack of critical items e.g. cleaning material and surgical sundries; SOPs not available; and vacant critical posts i.e. Operational Managers and Professional Nurses.
	Total number of District Hospitals that are compliant to all extreme measures and at least 90% of vital measures of national core standards	*Self-Assessment Records*	*1*	*8*	*0*		
	Number of District Hospitals that conducted national core standards self-assessment to date in the current financial year	*Self-Assessment Records*	*28*	*38*	*21*		

APP 2016/17: Page 112; Table 28 (DHS 6)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comment on Deviation**
5.1.5) Sustain a 100% Client Satisfaction Survey rate in all public health facilities from March 2017 onwards	4. Client satisfaction survey rate	QA Database	79%	100%	97.4%	(2.6%)	The marginal deviance (1 hospital) is considered within an acceptable deviation range. Inadequate staffing to conduct surveys remained a challenge.
	Total number of District Hospitals that conducted a Client Satisfaction) survey to date in the current financial year	*Client Satisfaction Surveys*	*30*	*38*	*37*		
	Total number of District Hospitals	*DHIS*	*38*	*38*	*38*		
5.1.1) Sustain a Client Satisfaction rate of 95% (or more) at all public health facilities by March 2020	5. Client satisfaction rate	QA Database	80.6%	90%	91%	1.1%	The marginal deviance is considered within an acceptable deviation range. Implementation of the National Core Standards is expected to have a positive impact on patient satisfaction.
	Total number of clients that were satisfied with services (scoring 80% or more on survey results)to date in the current financial year	*Client Satisfaction Surveys*	*142 020*	*6 300*	*119 831*		
	Total number of clients that participated in survey to date in the current financial year	*Client Satisfaction Surveys*	*176 097*	*7 000*	*131 666*		
Strategic Objective 1.7: Improve hospital efficiencies							
1.7.3) Improve hospital efficiencies by reducing the average length of stay to less than 5 days (District & Regional), 15 days (TB), 280 days (Psych), 35 days (Chronic), 7.6 days (Tertiary), and 6.5 days (Central) by March 2020	6. Average length of stay - total	DHIS	5.8 Days	6 Days	5.7 Days	5%	This is a demand driven indicator and therefore not possible to predict with 100% accuracy. The deviance is considered within an acceptable deviation range and decrease since 2015/16 is viewed as a positive result. Clinical inpatient management of patients are determined by the burden of disease, which have a direct impact on the length of stay before transfer out or discharge.
	In-patient days - total	*Midnight Census*	*1 891 030*	*2 168 789*	*1 909 462*		
	Day patients	*Admission/ Discharge Register*	*12 636*	*12 998*	*14 698*		
	Inpatient separations	*DHIS*	*331 820*	*366 145*	*336 487*		
1.7.1) Maintain a bed utilisation rate of 75% (or more) by March	7. Inpatient bed utilisation rate - total	DHIS	74.7%	65.8%	57.8%[48]	(12.2%)	This is a demand driven indicator and therefore not possible to predict with 100% accuracy. The lower than expected inpatient days and
	In-patient days - total	*Midnight Census*	*1 891 030*	*2 168 789*	*1 909 462*		

[48] Calculated manually to factor in missing bed numbers on DHIS – DHIS calculation (57%)

APP 2016/17: Page 112; Table 28 (DHS 6)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comment on Deviation**
2020	*Day patients*	*Admission/ Discharge Register*	*12 636*	*12 998*	*14 698*		higher than expected day patients affected the utilisation rate. Re-assessment of bed allocation per clinical discipline forms part of the Hospital Rationalisation Plan that will be informed by an assessment of hospital efficiencies that will be finalised in early 2017/18.
	Inpatient bed days available	*DHIS*	*3 116 370*	*3 314 210*	*3 312 010*		
Strategic Objective 1.7: Improve hospital efficiencies							
1.7.4) Maintain expenditure per PDE within the provincial norms	8. Expenditure per patient day equivalent	BAS/ DHIS	R 2 116	R 1 947	R 2 228	14.4%	The higher than expected expenditure is mainly contributed to the increase in cost of medicine and laboratory costs.
	Expenditure total	*BAS*	*R 5 726 246*	*R 5 774 639*	*R 6 069 456*		
	Patient day equivalent	*DHIS*	*2 705 625*	*2 964 394*	*2 723 880*		
Strategic Objective 5.1: Improve compliance to the Ideal Clinic and National Core Standards							
5.1.6) Sustain a complaint resolution rate of 90% (or more) in all public health facilities from March 2018 onwards	9. Complaints resolution rate	DHIS	80.8%	80%	78.6%	(1.8%)	All clients are not providing accurate contact details; some prefer to stay anonymous; and some are not able to avail themselves for follow-up in order to resolve complaints.
	Complaints resolved	*Complaints Register*	*2 050*	*2 628*	*1 982*		
	Complaints received	*Complaints Register*	*2 537*	*3 285*	*2 523*		
	10. Complaint resolution within 25 working days rate	DHIS	89.8%	95%	92.1%	(3.1%)	The complexity of some complaints, including complaints relating to clinical issues, requires a multi-disciplinary response which increases the time to resolve complaints.
	Complaints resolved within 25 working days	*Complaints Register*	*1 841*	*2 497*	*1 825*		
	Complaints resolved	*Complaints Register*	*2 050*	*2 628*	*1 982*		
Strategic Objective 2.7: Reduce maternal mortality							
2.7.2) Reduce the	11. Delivery by caesarean section rate	DHIS	28.8%	27%	28.9%	7.0%	This is a demand driven indicator and therefore

APP 2016/17: Page 112; Table 28 (DHS 6)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comment on Deviation**
caesarean section rate to 25% (District), 37% (Regional), 60% (Tertiary), and 60% (Central) by March 2020	*Delivery by caesarean section*	*Delivery & Theatre Registers*	*23 958*	*24 460*	*24 959*		not possible to predict with 100% accuracy. The high number of teenage pregnancies and clinical presentation (high risk pregnancies) influence the number of caesarean sections.
	Delivery in facility total	*Delivery Register*	*83 219*	*90 595*	*86 145*		
Strategic Objective 1.7: Improve hospital efficiencies							
1.7.5) Reduce the unreferred outpatient department (OPD) headcounts with at least 7% per annum	12. OPD headcount- total	*DHIS/ OPD Tick Register*	2 319 180	2 410 134	2 310 070	4.2%	This is a demand driven indicator and therefore not possible to predict with 100% accuracy. The consistent decrease in OPD headcount might be an indication of improved management of patients at PHC level; increase in sessions conducted by Medical Officers at PHC clinics; and more appropriate referral.
	13. OPD headcount not referred new	*DHIS/ OPD Tick Register*	448 763	427 843	460 530	(7.6%)	This is a demand driven indicator and therefore not possible to predict with 100% accuracy. Patients bypass PHC services by choice or due to the proximity of hospitals to their place of stay or clinics not being open after 16:00. Ten District Hospitals do not have gateway clinics which resulted in PHC patients accessing PHC services in OPD.

Changes to planned targets

No changes were made to the 2016/17 targets.

Strategies to overcome areas of under-performance

To improve MMC services, the Department contracted 4 General Practitioners to support the worst performing districts; a transversal contract was awarded by National Department of Health to support the districts that are not included in PEPFAR funding; and intensifying the ISibaya Samadoda campaigns partnering with the men's forum, men's sector, HEAIDS, and traditional co-ordinators.

The Province is in the process of launching a condom manufacturing plant which will ease the pressure on supply of condoms; and a new contract for decentralised condom distribution has been awarded.

Mother to child transmission of HIV will be further strengthened by reinforcing infant and young child feeding and counselling at antenatal and postnatal care; expanding HTS and initiation on antiretroviral therapy treatment during postnatal care; and finalise and implement the integrated child health policy.

Finalisation of the national minimum standards for safe caesarean section resulted in delayed implementation of the safe caesarean strategy. The process will be scaled up including expanding of the accreditation system for labour wards which will identify labour wards that do not meet the requirements for the necessary interventions.

The integration of TB into maternal health is still sub-optimal, because not all clinicians were included in the training. The training and mentorship will be scaled up in 2017/18. Allocation was made for additional funding for the procurement of vehicles and appointment of staff to increase TB teams.

The procurement and allocation of additional Colposcopes and Lletz machines for 11 District Hospitals have been prioritised for 2017/18 to increase access to treatment for abnormal Pap smears.

Linking performance with budget

Programme 2 reported an over-expenditure of R 14 885 million during the financial year - R 137 796 million on HIV/AIDS and R 8 011 million on District Hospitals.

Table 37: Budget appropriation and expenditure

Programme per Sub-Programme		2016/17							2015/16	
		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 payments	279 229	-	912	280 141	283 008	(2 867)	101%	241 001	242 963
	Transfers and subsidies	1 159	-	722	1 881	1 929	(48)	102.6%	446	411
	Payments for capital assets	15 950	-	-	15 950	6 253	9 697	39.2%	8 339	5 787
	Total	**296 338**	**-**	**1 634**	**297 972**	**291 190**	**6 782**	**97.7%**	**249 786**	**249 161**
2.2	**Community Health Clinics**									
	Current payments	3 728 803	-	30	3 728 833	3 743 103	(14 270)	100.4%	3 365 872	3 381 710
	Transfers and subsidies	180 786	-	3 666	184 452	157 420	27 032	85.3%	184 353	110 646
	Payments for capital assets	34 000	-	-	34 000	15 334	18 666	45.1%	41 624	8 757
	Total	**3 943 589**	**-**	**3 696**	**3 947 285**	**3 915 857**	**31 428**	**99.2%**	**3 591 849**	**3 501 113**
2.3	**Community Health Centres**									
	Current payments	1 508 700	-	25	1 508 725	1 492 833	15 892	98.9%	1 353 604	1 356 616
	Transfers and subsidies	8 994	-	(4 653)	4 341	4 544	(203)	104.7%	5 187	5 754
	Payments for capital assets	12 000	-	-	12 000	2 891	9 109	24.1%	7 017	3 438
	Total	**1 529 694**	**-**	**(4 628)**	**1 525 066**	**1 500 268**	**24 798**	**98.4%**	**1 365 808**	**1 365 808**
2.4	**Community Based Services**									
	Current payments	100 000	-	-	100 000	56 204	43 796	56.2%	16 289	16 289
	Total	**100 000**	**-**	**-**	**100 000**	**56 204**	**43 796**	**56.2%**	**16 289**	**16 289**
2.5	**Other Community Services**									
	Current payments	1 188 789	-	(35 267)	1 153 522	1 151 602	1 920	99.8%	1 080 831	1 082 028
	Transfers and subsidies	4 182	-	625	4 807	4 807	-	100%	2 904	7 555

Programme per Sub-Programme		2016/17							2015/16	
		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
	Payments for capital assets	10 000	-	-	10 000	84	9 916	0.8%	17 541	14 488
	Total	**1 202 971**	**-**	**(34 642)**	**1 168 329**	**1 156 493**	**11 836**	**99%**	**1 101 276**	**1 104 071**
2.6	**HIV and AIDS**									
	Current payments	4 113 794	-	117 840	4 231 634	4 410 629	(178 995)	104.2%	3 719 287	3 732 519
	Transfers and subsidies	99 113	-	(842)	98 271	57 051	41 220	58.1%	77 647	78 464
	Payments for capital assets	31 336	-	-	31 336	31 357	(21)	100.1%	16 160	2 736
	Total	**4 244 243**	**-**	**116 998**	**4 361 241**	**4 499 037**	**(137 796)**	**103.2%**	**3 813 094**	**3 813 719**
2.7	**Nutrition**									
	Current payments	48 822	-	-	48 822	44 762	4 060	91.7%	43 820	43 820
	Payments for capital assets	178	-	-	178	178	-	100%	-	-
	Total	**49 000**	**-**	**-**	**49 000**	**44 940**	**4 060**	**91.7%**	**43 820**	**43 820**
2.8	**Coroner Services**									
	Current payments	187 728	-	(3 987)	183 741	179 216	4 525	97.5%	166 011	166 651
	Transfers and subsidies	200	-	(134)	66	66	0	100%	234	260
	Payments for capital assets	4 500	-	-	4 500	803	3 697	17.8%	6 912	5 229
	Total	**192 428**	**-**	**(4 121)**	**188 307**	**180 085**	**8 222**	**95.6%**	**173 157**	**172 140**
2.9	**District Hospitals**									
	Current payments	5 863 878	-	94	5 863 972	5 836 979	26 993	99.5%	5 483 819	5 566 481
	Transfers and subsidies	151 624	-	5 400	157 024	232 477	(75 453)	148.1%	146 116	160 541
	Payments for capital assets	25 000	-	25 890	50 890	10 411	40 479	20.5%	13 235	14 724
	Payment for financial assets		-	-	-	30	(30)	-	2	29
	Total	**6 040 502**	**-**	**31 384**	**6 071 886**	**6 079 897**	**(8 011)**	**100.1%**	**5 643 172**	**5 741 775**

PROGRAMME 3 - EMERGENCY MEDICAL SERVICES

Programme Description & Purpose

Render pre-hospital Emergency Medical Services including Inter-hospital Transfers and Planned Patient Transport.

The previous structure included Sub-Programme 3.3: Disaster Management which is a Municipal mandate.

Sub-Programme 3.1: Emergency Medical Services

Render Emergency Medical Services including Ambulance Services, Special Operations, and Communication and Air Ambulance services.

Sub-Programme 3.2: Patient Transport Services (PTS)

Render Planned Patient Transport including Local Outpatient Transport (within the boundaries of a given town or local area) and Inter-City/Town Outpatient Transport (Into referral centres).

Strategic Objectives, Performance Indicators, Targets and Achievements

SO 1.8) Improve EMS efficiencies

Poor response times remained a concern in 2016/17.

The Provincial ratio of 1 ambulance per 36 453 population remained far below the national norm of 1:10 000. During the first quarter of 2016/17, 21 vehicles were distributed to districts including 5 psychiatric ambulances, 11 obstetric ambulances and 5 ambulances with a carrying capacity for 3 patient stretchers each. The daily operational ambulances however decreased to 180 during the year as opposed to 290 scheduled ambulances – which severely affected response times.

There were 2 643 EMS staff employed at operational level, including Basic Life Support (1 631), Intermediate Life Support (894), Emergency Care Technicians (28), Advanced Life Support (76), and Emergency Care Practitioners (14). Staff employed at an operational level however performed duties in the communications centre; patient transport services (PTS); or operations which have an impact on available staff to man operational ambulances on a daily basis.

It is estimated that approximately 50% of inter-facility transportation was emergency inter-facility transport and not planned patient transport. Inter-facility emergency transfers therefore compete for ambulances with emergency cases, which are not ideal and contributed to the poor response times.

Table 38: (EMS1) Situation Analysis Indicators - 2016/17

APP 2016/17: Page 160; Table 45 (EMS 1)													
Quarterly Indicators	**Type**	**Province 2016/17**	**Ugu 2016/17**	**Umgungundlovu 2016/17**	**Uthukela 2016/17**	**Umzinyathi 2016/17**	**Amajuba 2016/17**	**Zululand 2016/17**	**Umkhanyakude 2016/17**	**King Cetshwayo 2016/17**	**iLembe 2016/17**	**Harry Gwala 2016/17**	**eThekwini 2016/17**
1. EMS P1 urban response under 15 minutes rate	%	5.1%	2.6%	3.1%	6.2%	32.3%	75.4%	N/A	N/A	25.4%	10.2%	N/A	3.1%
No P1 urban calls with response times under 15 minutes	*No*	*7 980*	*289*	*534*	*264*	*298*	*2 470*	*N/A*	*N/A*	*143*	*372*	*N/A*	*3 610*
All P1 urban call outs	*No*	*157 550*	*11 164*	*17 102*	*4 267*	*922*	*3 278*	*N/A*	*N/A*	*563*	*3 653*	*N/A*	*116 601*
2. EMS P1 rural response under 40 minutes rate	%	34.9%	10.5%	8.9%	17.3%	27.2%	81.6%	52.8%	24.3%	31.9%	28.9%	38.8%	24.0%
No P1 rural calls with response times under 40 minutes	*No*	*65 050*	*1 383*	*1 179*	*3 575*	*5 517*	*16 918*	*12 980*	*2 740*	*9 264*	*3 967*	*7 458*	*69*
All P1 rural call outs	*No*	*186 325*	*13 219*	*13 242*	*20 682*	*20 316*	*20 744*	*24 571*	*11 298*	*29 036*	*13 718*	*19 211*	*288*
3. EMS inter-facility transfer rate	%	30.2%	34.5%	36.0%	35.4%	10.5%	25.6%	31.0%	38.6%	34.1%	26.2%	29.9%	28.0%
EMS inter-facility transfer	*No*	*199 869*	*17 791*	*23 544*	*13 257*	*3 483*	*11 106*	*12 060*	*18 598*	*19 776*	*9 656*	*8 823*	*61 775*
EMS clients total	*No*	*662 742*	*51 509*	*65 452*	*37 403*	*33 027*	*43 404*	*38 927*	*48 234*	*57 983*	*36 798*	*29 465*	*220 540*

Source: EMS database

Table 39: Strategic Objectives, Indicators & Targets

APP 2016/17: Page 161; Table 47 (EMS 2)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comment on Deviation**
Strategic Objective 1.8: Improve EMS efficiencies							
1.8.4) Improve P1 urban response times of under 15 minutes to 25% by March 2020	1. EMS P1 urban response under 15 minutes rate	EMS Register	5%	6%	5.1%	(15%)	EMS demand still outstrips available resources including operational emergency vehicles and human resources. Inadequate daily operational ambulances due to high accident rates (in especially rural areas); old fleet of emergency vehicles causing regular break downs with prolonged down time for maintenance and repairs; and inadequate trained emergency staff (particularly intermediate and advanced life support) to man ambulances. Inadequate base infrastructure including customised wash bays and sluice facilities, added to delayed response times.
	EMS P1 urban response under 15 minutes	*EMS Callout Register*	*7 896*	*10 186*	*7 980*		
	EMS P1 urban calls	*EMS Callout Register*	*162 760*	*169 767*	*157 550*		
1.8.5) Improve P1 rural response times of under 40 minutes to 45% by March 2020	2. EMS P1 rural response under 40 minutes rate	EMS Register	32%	34%	34.9%	2.6%	
	EMS P1 rural response under 40 minutes	*EMS Callout Register*	*66 543*	*71 234*	*65 050*		
	EMS P1 rural calls	*EMS Callout Register*	*205 668*	*209 512*	*186 325*		
1.8.6) Increase the inter-facility transfer rate to 50% by March 2020	3. EMS inter-facility transfer rate	EMS Inter-Facility Register	41%	40%	30.2%	(24.5%)	This is a demand driven indicator and therefore not possible to predict with 100% accuracy. Long distances between referral facilities (especially in rural districts) contributed to the limited number of trips taken per vehicle per day.
	EMS inter-facility transfer	EMS Register	*208 628*	*209 859*	*199 869*		
	EMS clients total	EMS Register	*509 594*	*524 649*	*662 742*		
Strategic Objective 1.8: Improve EMS efficiencies							
1.8.1) Evidence-based EMS Model approved and implemented by March 2017	4. Approved revised EMS Model	Approved EMS Model	Model not approved	Approved EMS Model	EMS Model not finalised	Not achieved	The proposed EMS Model was presented to the National EMS Committee for presentation to the National Health Council Technical Committee for endorsement. Awaiting feedback from the National Department of Health.

APP 2016/17: Page 161; Table 47 (EMS 2)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comment on Deviation**
1.8.7) Increase the number of obstetric ambulances to 73 by March 2020	5. Number of obstetric ambulances – cumulative	Purchase/ Allocation Documents	40	46	52	13%	Obstetric ambulances were prioritised in line with the Department's strategic priority to reduce maternal, neonatal and child mortality.
1.8.8) Increase the number of inter-facility ambulances to 71 by March 2020	6. Number of IFT (inter-facility transfer) ambulances – cumulative	Purchase/ Allocation Documents	38	49	38	(22.4%)	Due to the fiscal challenges the purchasing of new IFT ambulances were postponed in favour of obstetric ambulances.
1.8.2) Increase the average number of daily operational ambulances to 550 by March 2020	7. Average number of daily operational ambulances	EMS Daily Operations Reports/ EMS Database	178	290	180	(37.9%)	Regular breakdown and down time of ambulances as a result of the ageing fleet of ambulances; Long maintenance and repair turn-around times due to shortage of service providers; High rate of accidents and wear and tear of ambulances due to poor road infrastructure in especially rural areas; and Inadequate trained emergency staff (currently 8 staff per ambulance compared with the national norm of 10) to man operational ambulances.
1.8.3) Rationalise 4 clustered Communication Centres by March 2020	8. Number of clustered Communications Centres established and operational	Infrastructure Project Report/ Operations Centres	0	1	0	(100%)	The requirements outlined in the NHI White Paper as well as fiscal challenges necessitated a revised strategy for EMS communications. Collateral inter-governmental partnerships are being explored in order to prevent duplication of services and optimise utilisation of available resources. The existing communication centres are operational.
1.8.9) Increase purpose built wash bays with sluice facilities to 21 by March 2020	9. Number of purpose built wash bays with sluice facilities	Infrastructure Project Report/ EMS Database	3	5 (8)	0 (3)	(100%)	The plans for wash bays with sluice room facilities, medical gas storage, waste trap and medical waste storage are in the design phase. This project will be re-assessed for the next MTEF.

APP 2016/17: Page 161; Table 47 (EMS 2)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comment on Deviation**
1.8.10) Increase EMS revenue collection to at least R 6 million by March 2020	10. Revenue generated	BAS	R 3 633 659	R 3 714 928	R 1 361 627	(63.3%)	Implementation of the Revenue Enhancement Strategy is not fully functional and implementation will be strengthened.
1.8.11) Increase the number of bases with access to internet to 50 by March 2020	11. Number of bases with access to computers and intranet/ e-mail	ICT Roll-Out Report	Computer: 50 Intranet: 23	Computer: 58 Intranet: 30	Computer: 50 Intranet: 23	Computer: (13.8%) Intranet: (23.3%)	The matter has been referred from SITA to ICT to carry out an assessment of all bases and their connectivity and network point availability. Once data is available, ICT will advise on the way forward.

Changes to planned targets

No targets were changed during 2016/17.

Strategies to overcome areas of under-performance

- Improve efficiencies at Communication Centres including call taking and caller location identification; more appropriate triage of calls; linking of districts to the computerised Communications Control Centre; and consolidation of Communications Centres pending budget availability.
- Optimise utilisation of vehicle tracking information for dispatch purposes.
- Improve communication of information to crews through use of Mobile Data Terminals, improve radio network and when implemented by the South African Police Services (SAPS) utilize a terrestrial trunked radio system in conjunction with the SAPS.
- Improve turn-around times for vehicles through improved interfacing with Accident and Emergency Units, improved routing of patients (e.g. use of CHC for minor cases) and stricter control over resources by dispatch.
- In-service training programmes relating to clinical skills, equipment and implementation of policies and procedures.
- Implement quality assurance programmes with regular inspections, case reviews (M&Ms) and robust oversight.

- Improve management of the fleet to reduce turn-around times. *Engagement with Transit Solutions commenced to increase the pool of service providers and increase supervision of fleet matters; continue defensive driver training to reduce accident rate; District Fleet Officers improve engagement with service providers to limit ambulance downtime; and improve adherence to the vehicle replacement policy.*

Linking performance with budget

Programme 3 reported an over-expenditure of R 278 000 on Emergency Services.

Table 40: Budget appropriation and expenditure

Programme per sub programme		2016/17							2015/16	
		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 payments	1 080 626	-	11 100	1 091 726	1 095 019	(3 293)	100.3%	1 063 221	1 066 449
	Transfers and subsidies	3 882	-	(119)	3 763	3 763	-	100.0%	4 976	3 303
	Payments for capital assets	20 000	-	(1 029)	18 971	15 956	3 015	84.1%	38 512	36 957
	Total	**1 104 508**	**-**	**9 952**	**1 114 460**	**1 114 738**	**(278)**	**100.02%**	**1 106 709**	**1 106 709**
3.2	**Planned Patient Transport**									
	Current payments	94 442	-	30	94 472	94 509	(37)	100.0%	62 604	67 535
	Transfers and subsidies	510	-	(494)	16	16	-	100.0%	240	134
	Payments for capital assets	315	-	-	315	-	315	-	4 825	-
	Total	**95 267**	**-**	**(464)**	**94 803**	**94 525**	**278**	**99.7%**	**67 669**	**67 669**

Source: Annual Financial Statements and BAS

PROGRAMME 4 - REGIONAL & SPECIALISED HOSPITALS

Programme Description & Purpose

Programme Purpose

There are no changes to the Programme 4 structure.

Deliver hospital services, which are accessible, appropriate, and effective and provide general specialist services, including a specialized rehabilitation service, as well as a platform for training health professionals and research.

Sub-Programmes

Sub-Programme 4.1: General (Regional) Hospitals

Render hospital services at a general specialist level and a platform for training of health workers and research.

Sub-Programme 4.2: Specialised Tuberculosis Hospitals

Convert present Tuberculosis hospitals into strategically placed centres of excellence in which a small percentage of patients may undergo hospitalisation under certain conditions, which allow for isolation during the intensive phase of treatment, as well as the application of the standardized multi-drug resistant (MDR) protocols.

Sub-Programme 4.3: Specialised Psychiatric/ Mental Health Hospitals

Render a specialist psychiatric hospital service for people with mental illness and intellectual disability and provide a platform for the training of health workers and research.

Sub-Programme 4.4: Chronic Medical Hospitals

Provide medium to long term care to patients who require rehabilitation and/or a minimum degree of active medical care but cannot be sent home. These patients are often unable to access ambulatory care at our services or their socio-economic or family circumstances do not allow for them to be cared for at home.

Sub-Programme 4.5: Oral and Dental Training Centre

Render an affordable and comprehensive oral health service and training, based on the primary health care approach.

Strategic Objectives, Performance Indicators, Targets and Achievements

SO 1.7) Improve hospital efficiencies

The recruitment and retention of Specialists to ensure sustained delivery of the full regional package of services remains a challenge in especially outlying hospitals i.e. Ladysmith, Port Shepstone, Newcastle, Madadeni, Lower Umfolozi War Memorial and Stanger Hospitals. The major pressure areas (disciplines) in Regional Hospitals include Anaesthetics, General Surgery, Orthopaedics and Psychiatry.

Due to the limited human resources pool and increasing workload, outreach services is not functioning optimally which is having a knock-on effect on competencies, management and compliance with up-referral protocols from District Hospitals.

Budget constraints and austerity measures has had a significant impact on hospital services, especially in relation to filling of additional posts for expansion of services and purchasing of essential equipment. Staff shortages in some clinical specialities resulted in increased waiting times for specialist services while all specialist services could not be provided by all hospitals.

Inadequate hospital information systems remained a concern as the proposed system could not be implemented due to financial constraints.

Delays in the finalisation of the Hospital Rationalisation Plan will be addressed in 2017/18 to ensure effective use of scarce resources.

SO 5.1) Improve compliance to the Ideal Clinic and national Core Standards

Compliance with National Core Standards remained a challenge in spite of efforts to improve performance. This will again be prioritised in 2017/18.

Regional Hospitals

Table 41: Strategic Objectives, Indicators and Targets

APP 2016/17: Page 172; Table 53 (PHS 1)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comments on Deviation**
Strategic Objective 5.1: Improve compliance to the Ideal Clinic and National Core Standards							
5.1.3) 100% Public health hospitals conduct annual national core standard (NCS) self-assessments by March 2017	1. National core standards self-assessment rate	QA Database	53.8%	100%	46%	(54%)	The main challenge remains inadequate human resources at facility level to conduct complete self-assessments against NCS criteria. Partial self-assessments are not considered in reporting for this indicator.
	Number of Regional Hospitals that conducted NCS self-assessment to date in the current financial year	*Self-Assessment Reports*	*7*	*12*	*6*		
	Regional Hospitals total	*DHIS*	*13*	*12*	*13*[49]		
5.1.4) 100% Public health hospitals develop and implement Quality Improvement Plans (QIPs) based on national core standard assessment outcomes by March 2017	2. Quality improvement plan after self-assessment rate	QA Database	61.5%	100%	16.7%	(83.3%)	Inadequate oversight to ensure development, implementation and monitoring of Quality Improvement Plans.
	Number of Regional Hospitals that developed a QIP to date in the current financial year	*Quality Improvement Plan*	*8*	*12*	*1*		
	Number of Regional Hospitals that conducted NCS self-assessment to date in the current financial year	*Self-Assessment Records*	*13*	*12*	*6*		
5.1.2) 60% (or more) public health hospitals compliant with extreme and vital measures of the NCS by March 2020	3. Percentage of hospitals compliant with all extreme and vital measures of the national core standards	DHIS	0%	25%	0%	(100%)	Results of NCS compliance rating: 80%. Extreme standards rating (81%); and Vital standards rating (77%). The main challenges include staff attitudes and infection prevention and control.
	Total number of Regional Hospitals that are compliant to all extreme measures and at least 90% of vital measures of national core standards	*Assessment Records*	*0*	*3*	*0*		

[49] McCords Hospital (Provincial Specialised Eye Care), previously a District Hospital, was added to Regional Hospitals

APP 2016/17: Page 172; Table 53 (PHS 1)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comments on Deviation**
	Number of Regional Hospitals that conducted national core standards self-assessment to date in the current financial year	*Self-Assessment Records*	*13*	*12*	*6*		
5.1.5) Sustain a 100% client satisfaction rate in all public health facilities from March 2017 onwards	4. Client satisfaction survey rate	QA Database	61.5%	100%	69.2%	(30.8%)	Inadequate scheduling of client satisfaction surveys; and inadequate human resources to conduct and assess client satisfaction questionnaires.
	Total number of Regional Hospitals that conducted a client satisfaction survey to date in the current financial year	*Client Satisfaction Survey Records*	*8*	*12*	*9*		
	Total number of Regional Hospitals	*DHIS*	*13*	*12*	*13*		
5.1.1) Sustain a client satisfaction rate of 95% (or more) at all public health facilities by March 2020	5. Client satisfaction rate	QA Database	78%	89%	78.1%	(12.25%)	The main concerns include extended waiting times; safety and security; and inadequate information regarding treatment. The shortage of staff in certain clinical disciplines contributes to unacceptable waiting times.
	Total number of clients that were satisfied with services (scoring 80% or more on survey results)to date in the current financial year	*Client Satisfaction Survey Records*	*21 941*	*13 392*	*21 233*		
	Total number of clients that participated in survey to date in the current financial year	*Client satisfaction Survey Records*	*28 204*	*15 046*	*27 176*		
Strategic Objective 1.7: Improve hospital efficiencies							
1.7.3) Improve hospital efficiencies by reducing the average length of stay to less than 5 days (District & Regional), 15 days (TB), 280 days (Psych), 35 days (Chronic), 7.6 days (Tertiary), and 6.5 days (Central) by March 2020	6. Average length of stay - total	DHIS	6.3 Days	6.5 Days	6.1 Days	6.2%	This is a demand driven indicator influenced by the burden of disease. It is therefore not possible to predict with 100% accuracy. Up and down referral is influenced by available beds and appropriately skilled Medical Officers/ Specialists at the referral hospital, which might increase the average length of stay.
	Inpatient days-total	*Midnight Census*	*1 899 919*	*1 704 354*	*1 650 892*		
	Day Patients	*Admission and Discharge Register*	*49 528*	*46 430*	*46 173*		
	Inpatient Separations total	*DHIS*	*305 850*	*269 611*	*274 589*		

APP 2016/17: Page 172; Table 53 (PHS 1)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comments on Deviation**
1.7.1) Maintain a bed utilisation rate of 75% (or more) by March 2020	7. Inpatient bed utilisation rate - total	DHIS	74.7%	70.7%	72.1%[50]	2%	This is a demand driven indicator influenced by the burden of disease. It is therefore not possible to predict with 100% accuracy. Appropriate utilisation of existing resources and compliance to admission & discharge protocols partly contributing to better than expected utilisation.
	Inpatient days-total	*Midnight Census*	*1 899 919*	*1 704 354*	*1 650 892*		
	Day Patients	*Admission and Discharge Register*	*49 528*	*46 430*	*46 173*		
	Inpatient bed days available	*DHIS*	*2 583 419*	*2 475 003*	*2 322 136*[51]		
1.7.4) Maintain expenditure per PDE within the provincial norms	8. Expenditure per PDE	BAS/ DHIS	R 3 170	R 2 822	R 3 034	6.9%	Increased cost of medicine and diagnostic tests contributed to the higher than expected cost per PDE.
	Expenditure total	*BAS*	*8 296 822*	*7 431 662*	*7 822 649*		
	Patient day equivalents	*DHIS*	*2 921 942*	*2 633 145*	*2 578 105*		
Strategic Objective 5.1: Improve compliance to the Ideal Clinic and National Core Standards							
5.1.6) Sustain a complaint resolution rate of 90% (or more) in all public health facilities from March 2018 onwards	9. Complaint resolution rate	DHIS	80%	86%	75.3%	(12.4%)	All clients are not providing accurate contact details or prefer to stay anonymous, which affect follow up to resolve complaints. A number of clients are not able to avail themselves at facilities for redress.
	Complaint resolved	*Complaints Register*	*1 006*	*973*	*1 029*		
	Complaint received	*Complaints Register*	*1 259*	*1 132*	*1 367*		
5.1.7) Sustain a 85% (or more) complaint resolution within 25 working days rate in all public health facilities by March 2018 and onwards	10. Complaint resolution within 25 working days rate	DHIS	98%	97.5%	94.3%	(3.3%)	Successful resolution of complaints is influenced by the complexity of complaints, which may need more than 25 days to resolve.
	Complaint resolved within 25 working days	*Complaints Register*	*986*	*948*	*970*		
	Complaint resolved	*Complaints Register*	*1 006*	*973*	*1 029*		
Strategic Objective 2.7: Reduce maternal mortality							

[50] Manually calculated due to challenges with the transition from DHIS 1.4 to Web-Based DHIS - DHIS reflects as 67.9%
[51] Manually calculated due to challenges with the transition from DHIS 1.4 to Web-Based DHIS

APP 2016/17: Page 172; Table 53 (PHS 1)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comments on Deviation**
2.7.2) Reduce the caesarean section rate to 25% (District), 37% (Regional), 60% (Tertiary), and 60% (Central) by March 2020	11. Delivery by caesarean section rate	DHIS	41.7%	40%	41.2%	(3%)	The marginal deviance is considered within an acceptable deviation range. More complicated cases are referred for management at Regional Hospital level, which increase caesarean sections as per clinical protocols.
	Delivery by caesarean section	*Theatre/ Delivery Register*	*29 551*	*27 004*	*26 260*		
	Delivery in facility total	*Delivery Register*	*70 882*	*67 510*	*63 791*		
Strategic Objective 1.7: Improve hospital efficiencies							
1.7.5) Reduce the unreferred outpatient department (OPD) headcounts with at least 7% per annum	12. OPD headcount - total	DHIS/ OPD Tick Register	2 575 296	2 322 526	2 367 033	(1.9%)	The marginal deviation is considered within an acceptable deviation range. This is a demand driven indicator influenced by the burden of disease. It is therefore not possible to predict with 100% accuracy. Consistent decrease in OPD headcount can partially be ascribed to improved management and referral of patients from lower levels of care.
	13. OPD headcount new case not referred	DHIS/ OPD Tick Register	182 998	159 636	171 162	(7.2%)	This is a demand driven indicator influenced by the burden of disease. It is therefore not possible to predict with 100% accuracy. Entering the health system at the appropriate level of care is difficult to control due to location of facilities versus population as well as patient preference for care. The decrease of 6.5% in unreferred cases since 2015/16 is considered a positive result.

Specialised Tuberculosis Hospitals

Table 42: Strategic Objectives, Indicators and Targets

APP 2016/17: Page 179; Table 55 (PHS 3a)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comments on Deviation**
Strategic Objective 5.1: Improve compliance to the Ideal Clinic and National Core Standards							
5.1.3) 100% Public health hospitals conduct annual national core standards self-assessments by March 2017	1. National core standards self-assessment rate	QA Database	40%	100%	44%	(56%)	The main challenge remains inadequate human resources to conduct complete self-assessments against the NCSs. Partial assessments are not considered for reporting on the indicator.
	Number of Specialised TB Hospitals that conducted national core standards self-assessment to date in the current financial year	*Self-Assessment Reports*	*4*	*9*	*4*		
	Specialised TB Hospitals total	*DHIS*	*10*	*9*	*9*		
5.1.4) 100% Public health hospitals develop and implement Quality Improvement Plans based on national core standards assessment outcomes by March 2017	2. Quality improvement plan after self-assessment rate	QA Database	20%	100%	50%	(50%)	Inadequate oversight to develop, implement and monitor Quality Improvement Plans.
	Number of Specialised TB Hospitals that developed a quality improvement plan to date in the current financial year	*Quality Improvement Plans*	*2*	*9*	*2*		
	Number of Specialised TB Hospitals that conducted national core standards self-assessments to date in the current financial year	*Self-Assessment Records*	*10*	*9*	*4*		
5.1.2) 60% (or more) public health hospitals compliant with extreme and vital measures of the national core standards by March 2020	3. Percentage of hospitals compliant with all extreme and vital measures of the national core standards	DHIS	0%	22%	50%	56%	The number of hospitals targeted for compliance has been achieved. The deviation is due to the fact that only 4 of 9 hospitals were able to conduct self-assessments as explained for Indicator 1. Results of NCS compliance rating: 81%. Extreme standards rating (67%); and Vital standards rating (81%).
	Total number of Specialised TB Hospitals that are compliant to all extreme measures and at least 90% of vital measures of national core standards	*Assessment Records*	*0*	*2*	*2*		

APP 2016/17: Page 179; Table 55 (PHS 3a)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comments on Deviation**
	Number of Specialised TB Hospitals that conducted national core standards self-assessment to date in the current financial year	*Assessment Records*	*10*	*9*	*4*		
5.1.5) Sustain a 100% patient satisfaction survey rate in all public health facilities from March 2017 onwards	4. Client Satisfaction survey rate	QA Database	30%	100%	78%	(78%)	Poor scheduling of surveys and inadequate human resources at facility levels to conduct surveys resulted in performance below the expected norm.
	Total number of Specialised TB Hospitals that conducted a Client Satisfaction Survey to date in the current financial year	*Client Satisfaction Survey Records*	*3*	*9*	*7*		
	Total number of Specialised TB Hospitals	*DHIS*	*10*	*9*	*9*		
5.1.1) Sustain a client satisfaction rate of 95% (or more) at all public health facilities by March 2020	5. Client satisfaction rate	QA Database	81%	72%	93%	29.2%	It is assumed that implementation of National Core Standards contributed to improved client satisfaction with services.
	Total number of clients that were satisfied with services (scoring 80% or more on survey results) to date in the current financial year	*Client Satisfaction Survey Records*	*5 187*	*2 262*	*9 710*		
	Total number of clients that participated in survey to date in the current financial year	*Client Satisfaction Survey Records*	*6 397*	*3 141*	*10 439*		
Strategic Objective 1.7: Improve hospital efficiencies							
1.7.3) Improve hospital efficiencies by reducing the average length of stay to less than 5 days (District & Regional), 15 days (TB), 280 days (Psych), 35 days (Chronic), 7.6 days (Tertiary), and 6.5 days (Central) by March 2020	6. Average length of stay – total	DHIS	17.2 Days	51 Days	48.4 days	5.1%	This is a demand driven indicator influenced by the burden of disease. It is therefore not possible to predict with 100% accuracy. The lower than expected length of stay is mainly due to the change in the treatment regimens for TB in-patients with focus on community-based and out-patient management of patients on treatment.
	Inpatient days-total	*Midnight Census*	*331 547*	*202 792*	*159 750*		
	Day Patients	*Admission and Discharge Register*	*733*	*2*	*550*		
	Inpatient separations total	*DHIS*	*19 307*	*3 978*	*3 306*		

APP 2016/17: Page 179; Table 55 (PHS 3a)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comments on Deviation**
1.7.1) Maintain a bed utilisation rate of 75% (or more) by March 2020	7. Inpatient bed utilisation rate – total	DHIS	56.2%	45.2%	42.6%[52]	(5.8%)	This is a demand driven indicator influenced by the burden of disease. It is therefore not possible to predict with 100% accuracy. New treatment regimens reduced inpatient days and increase day patients, as community- and outpatient-based management is expanding.
	Inpatient days-total	*Midnight Census*	*331 547*	*202 792*	*159 570*		
	Day Patients	*Admission and Discharge Register*	*733*	*2*	*550*		
	Inpatient bed days available	*DHIS*	*591 152*	*449 121*	*374 490*[53]		
1.7.4) Maintain expenditure per PDE within the provincial norms	8. Expenditure per PDE	BAS/ DHIS	R 1 613	R 3 312	R 4 742	30%	Increased cost of medicines contributed towards the higher than expected cost per PDE.
	Total expenditure TB Hospitals	*BAS*	*734 142*	*793 589*	*776 902*		
	Patient day equivalents	*DHIS*	*426 465*	*239 601*	*163 828*[54]		
Strategic Objective 5.1: Improve compliance to the Ideal Clinic and National Core Standards							
5.1.6) Sustain a complaint resolution rate of 90% (or more) in all public health facilities from March 2018 onwards	9. Complaint resolution rate	DHIS	19.1%	83.2%	75.3%	(9.5%)	All clients are not providing accurate contact details or prefer to stay anonymous, which affect follow up and effective resolution of complaints. A number of clients are not able to avail themselves at facilities for redress.
	Complaint resolved	*Complaints Register*	*137*	*109*	*62*		
	Complaint received	*Complaints Register*	*716*	*131*	*86*		
5.1.7) Sustain a 85% (or more) complaint resolution within 25 working days rate in all public health facilities by March 2018 and onwards	10. Complaint resolution within 25 working days rate	DHIS	93.4%	94.4%	94.3%	(0.1%)	The marginal deviance is considered within an acceptable deviation range. More complex complaints require a multi-disciplinary response and more time to effectively resolve issues.
	Complaint resolved within 25 working days	*Complaints Register*	*128*	*103*	*60*		
	Complaint resolved	*Complaints Register*	*137*	*109*	*62*		

[52] Manually calculated due to challenges with the transition from DHIS 1.4 to Web-Based DHIS - DHIS reflects 67.7%
[53] Manually calculated due to challenges with the transition from DHIS 1.4 to Web-Based DHIS
[54] State-Aided patient activity excluded

APP 2016/17: Page 179; Table 55 (PHS 3a)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comments on Deviation**
Strategic Objective 1.7: Improve hospital efficiencies							
1.7.5) Reduce the unreferred OPD headcounts with at least 7% per annum	11. OPD headcount – total	DHIS/ OPD Tick Register	255 718	115 740	94 969	17.9%	This is a demand driven indicator and therefore not possible to predict with 100% accuracy. A decrease at OPD generally points to more effective management at PHC level.
	12. OPD headcount new case not referred	DHIS/ OPD Tick Register	30 637	9 936	9 136[55]	8.1%	This is a demand driven indicator and therefore not possible to predict with 100% accuracy. The reduction of unreferred cases at OPD points to improved management at PHC level and patients entering the health system at the appropriate level of care.

Note

- Greytown TB Hospital data has been included for actual 2016/17 performance
- King Dinuzulu Hospital (under TB Hospitals in the DHIS) has been excluded from TB Hospital data - included under District Hospitals
- The 2 State-Aided hospitals i.e. Siloah Missionary and Mountain View have been included in actual performance except for Cost per PDE

[55] This is influenced by the 2 State-Aided Hospitals that function similar to District Hospitals

Specialised Psychiatric Hospitals

Table 43: Strategic Objectives, Indicators and Targets

APP 2016/17: Page 185; Table 57 (PHS 3b)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comment on Deviation**
Strategic Objective 5.1: Improve compliance to the Ideal Clinic and National Core Standards							
5.1.3) 100% Public health hospitals conduct annual national core standard self-assessments by March 2017	1. National core standards self-assessment rate	QA Database	66.6%	100%	16.7%	(83.3%)	Inadequate human resources at facility level to conduct the complete self-assessment against NCSs. Partial self-assessments are not considered in reporting for this indicator.
	Number of Specialised Psych Hospitals that conducted national core standard self-assessment to date in the current financial year	*Self-Assessment Reports*	*4*	*6*	*1*		
	Specialised Psych Hospitals total	*DHIS*	*6*	*6*	*6*		
5.1.4) 100% Public health hospitals develop and implement Quality Improvement Plans based on national core standard assessment outcomes by March 2017	2. Quality improvement plan after self-assessment rate	QA Database	66.6%	100%	0%	(100%)	Inadequate oversight and support to monitor the development and implementation of quality improvement plans.
	Number of Specialised Psych Hospitals that developed a quality improvement plan to date in the current financial year	*Quality Improvement Plans*	*4*	*6*	*0*		
	Number of Specialised Psych Hospitals that conducted national core standard self-assessment to date in the current financial year	*Assessment Records*	*6*	*6*	*1*		
5.1.2) 60% (or more) public health hospitals compliant with extreme and vital measures of the national core standard by March 2020	3. Percentage of hospitals compliant with all extreme and vital measures of the national core standards	DHIS	0%	33%	100%	203%	Only 1 out of 6 hospitals conducted a self-assessment. Results of NCS compliance rating: 80%. Extreme standards rating (66%); and Vital standards rating (74%). The main challenge is long waiting times and non-compliant infrastructure.
	Total number of Specialised Psych Hospitals that are compliant to all extreme measures and at least 90% of vital measures of national core standards	*Self-Assessment Records*	*0*	*2*	*1*		

APP 2016/17: Page 185; Table 57 (PHS 3b)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comment on Deviation**
	Number of Specialised Psych Hospitals that conducted national core standard self-assessment to date in the current financial year	*Self-Assessment Records*	*6*	*6*	*1*		
5.1.5) Sustain a 100% client satisfaction survey rate in all public health facilities from March 2017 onwards	4. Client satisfaction survey rate	QA Database	66.6%	100%	50%	(50%)	Inadequate scheduling of surveys; inadequate human resources to conduct and assess surveys; and most Psychiatric Hospitals admit acutely ill patients thus making it difficult to conduct client satisfaction surveys.
	Total number of Specialised Psychiatric Hospitals that conducted a client satisfaction survey to date in the current financial year	*Client Satisfaction Survey Records*	*4*	*6*	*3*		
	Total number of Specialised Psychiatric Hospitals	*DHIS*	*6*	*6*	*6*		
5.1.1) Sustain a patient experience of care rate of 95% (or more) at all public health facilities by March 2020	5. Client satisfaction rate	QA Database	91%	70%	86%	22.8%	It is suspected that the implementation of the NCSs contributed towards increased patient satisfaction.
	Total number of clients that were satisfied with services (scoring 80% or more on survey results) to date in the current financial year	*Client Satisfaction Survey Records*	*3 599*	*420*	*173*		
	Total number of clients that participated in survey to date in the current financial year	*Client Satisfaction Survey Records*	*3 936*	*600*	*201*		
Strategic Objective 1.7: Improve hospital efficiencies							
1.7.3) Improve hospital efficiencies by reducing the average length of stay to less than 5 days (District & Regional), 15 days (TB), 280 days (Psych), 35 days (Chronic), 7.6 days (Tertiary), and 6.5 days (Central) by March 2020	6. Average length of stay – total	DHIS	296.8 Days	307 Days	291.1 Days	5.2%	This is a demand driven indicator influenced by the burden of disease. It is therefore not possible to predict with 100% accuracy. The length of stay is determined by diagnosis and clinical management of patients. The Department considers a reduction in the average length of stay as a positive result.
	Inpatient days-total	*Midnight Census*	*621 164*	*625 668*	*638 302*		
	Day Patients	*Admission and Discharge Register*	*0*	*0*	*15*		
	Inpatient separations total	*DHIS*	2 093	2 041	2 206		

APP 2016/17: Page 185; Table 57 (PHS 3b)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comment on Deviation**
1.7.1) Maintain a bed utilisation rate of 75% (or more) by March 2020	7. Inpatient bed utilisation rate – total	DHIS	67.5%	70.1%	71.2%[56]	1.6%	The marginal deviance is considered within an acceptable deviation range. Increase in inpatient care result in a higher than expected utilisation rate.
	Inpatient days-total	*Midnight Census*	*621 164*	*625 668*	*638 302*		
	Day Patients	*Admission and Discharge Register*	*0*	*0*	*15*		
	Inpatient bed days available	*DHIS*	*920 540*	*891 573*	*895 710*[57]		
1.7.4) Maintain expenditure per PDE within the provincial norms	8. Expenditure per PDE	BAS/ DHIS	R1 257	R1 339	R1 284	4.1%	The marginal deviance (R 55) is considered within an acceptable deviation range. The higher than expected PDE reduced cost per PDE.
	Total expenditure Psychiatric Hospitals	*BAS*	*788 178*	*843 859*	*825 338*		
	Patient day equivalents	*DHIS*	*626 751*	*630 276*	*642 871*		
Strategic Objective 5.1: Improve compliance to the Ideal Clinic and National Core Standards							
5.1.6) Sustain a complaint resolution rate of 90% (or more) in all public health facilities from March 2018 onwards	9. Complaint resolution rate	DHIS	93.8%	93.8	98.2%	4.7%	Intensified role clarification and orientation of Complaint Committees has shown positive results in the successful management of complaints.
	Complaint resolved	*Complaints Register*	*60*	*56*	*55*		
	Complaint received	*Complaints Register*	*64*	*60*	*56*		
5.1.7) Sustain a 85% (or more) complaint resolution within 25 working days rate in all public health facilities by March 2018 and onwards	10. Complaint resolution within 25 working days rate	DHIS	83.3%	70%	100%	42.9%	Intensified role clarification and orientation of Complaint Committees has shown positive results in the successful management of complaints.
	Complaint resolved within 25 days	*Complaints Register*	*50*	*39*	*55*		
	Complaint resolved	*Complaints Register*	*60*	*56*	*55*		
Strategic Objective 1.7: Improve hospital efficiencies							

[56] Manually calculated due to the transition from DHIS 1.4 to the Web-Based DHIS system - DHIS reflects 72.7%
[57] Manually calculated due to the transition from DHIS 1.4 to the Web-Based DHIS system

APP 2016/17: Page 185; Table 57 (PHS 3b)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comment on Deviation**
1.7.5) Reduce the unreferred OPD headcounts with at least 7% per annum	11. OPD headcount – total	DHIS/ OPD Tick Register	16 220	17 447	11 596	33.5%	More effective management of mental health care users at PHC level; and improved screening/ testing and early treatment of patients.
	12. OPD headcount new case not referred	DHIS/ OPD Tick Register	1 587	1 769	1 037[58]	41.4%	The Department considers the performance as a positive result e.g. patients accessing care at the appropriate level of care.

[58] This is influenced by St Francis Hospital that is not functioning as a Specialised Psychiatric Hospital

Chronic/ Sub-Acute Hospitals

Table 44: Strategic Objectives, Indicators and Targets

APP 2016/17: Page 191; Table 59 (PHS 3c)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comment on Deviation**
Strategic Objective 5.1: Improve compliance to the Ideal Clinic and National Core Standards							
5.1.3) 100% Public health hospitals conduct annual national core standard self-assessments by March 2017	1. National core standards self-assessment rate	QA Database	50%	100%	100%	0%	Target achieved - No variance.
	Number of Chronic/Sub-Acute Hospitals that conducted national core standard self-assessment to date in the current financial year	*Self-Assessment Records*	*1*	*2*	*2*		
	Chronic/ Sub-Acute Hospitals total	*DHIS*	*2*	*2*	*2*		
5.1.4) 100% Public health hospitals develop and implement Quality Improvement Plans based on national core standard assessment outcomes by March 2017	2. Quality improvement plan after self-assessment rate	QA Database	0%	100%	50%	(50%)	Inadequate oversight and support to monitor the development and implementation of quality improvement plans.
	Number of Chronic/Sub-Acute Hospitals that developed a quality improvement plan to date in the current financial year	*Quality Improvement Plans*	*0*	*2*	*1*		
	Number of Chronic/Sub-Acute Hospitals that conducted national core standard self-assessment to date in the current financial year	*Self-Assessment Records*	*2*	*2*	*2*		
5.1.2) 60% (or more) public health hospitals compliant with extreme and vital measures of the national core standards by March 2020	3. Percentage of hospitals compliant with all extreme and vital measures of the national core standards	DHIS	0%	50%	0%	(100%)	Results of NCS compliance rating: 79%. Extreme standards rating (81%); and Vital standards rating (77%). Main challenges relate to inadequate cleaning supplies and inadequate infrastructure.
	Total number of Chronic/Sub-Acute Hospitals that are compliant to all extreme measures and at least 90% of vital measures of national core standards	*Self-Assessment Records*	*0*	*1*	*0*		

APP 2016/17: Page 191; Table 59 (PHS 3c)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comment on Deviation**
	Number of Chronic/Sub-acute Hospitals that conducted national core standard self-assessment to date in the current financial year	*Self-Assessment Records*	*2*	*2*	*2*		
5.1.5) Sustain a 100% client satisfaction survey rate in all public health facilities from March 2017 onwards	4. Client satisfaction survey rate	QA Database	100%	100%	50%	(50%)	Inadequate scheduling of surveys; and inadequate human resources to conduct and assess surveys.
	Total number of Chronic/ Long-Term Hospitals that conducted a client satisfaction survey to date in the current financial year	*Client Satisfaction Survey Records*	*2*	*2*	*1*		
	Total number of Chronic/ Long Term Hospitals	*DHIS*	*2*	*2*	*2*		
5.1.1) Sustain client satisfaction rate of 95% (or more) at all public health facilities by March 2020	5. Client satisfaction rate	QA Database	59.7%	70%	78%	11.4%	It is expected that implementation of the NCSs will improve patient satisfaction with services.
	Total number of clients that were satisfied with services (scoring 80% or more in survey results) to date in the current financial year	*Client Satisfaction Survey Records*	*1 156*	*76*	*39*		
	Total number of clients that participated in survey to date in the current financial year	*Client Satisfaction Survey Records*	*1 937*	*109*	*50*		
Strategic Objective 1.7: Improve hospital efficiencies							
1.7.3) Improve hospital efficiencies by reducing the average length of stay to less than 5 days (District & Regional), 15 days (TB), 280 days (Psych), 35 days (Chronic), 7.6 days (Tertiary), and 6.5 days (Central) by March 2020	6. Average length of stay – total	DHIS	38.7 Days	35.4 Days	32.3 Days	8.8%	This is a demand driven indicator influenced by the burden of disease. It is therefore not possible to predict with 100% accuracy. The performance is considered a positive result.
	Inpatient days-total	*DHIS/ Midnight Census*	*105 247*	*104 233*	*99 887*		
	Day Patients	*Admission and Discharge Register*	*0*	*0*	*9*		
	Inpatient separations total	*DHIS calculates*	*2 720*	*2 943*	*3 089*		

APP 2016/17: Page 191; Table 59 (PHS 3c)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comment on Deviation**
1.7.1) Maintain a bed utilisation rate of 75% (or more) by March 2020	7. Inpatient bed utilisation rate – total	DHIS	55.2%	54.5%	52.1%	(4.4%)	This is a demand driven indicator and therefore not possible to predict with 100% accuracy. The consistent decrease in the number of inpatient days may be due to improved management of PHC level.
	Inpatient days-total	*DHIS/ Midnight Census*	*105 247*	*104 233*	*99 887*		
	Day Patients	*Admission and Discharge Register*	*0*	*0*	*9*		
	Inpatient bed days available	*DHIS*	*190 733*	*191 325*	*191 625*		
1.7.4) Maintain expenditure per PDE within the provincial norms	8. Expenditure per PDE	BAS/DHIS	R 2 299	R 2 459	R 2 548	3.5%	The marginal deviance (R 89) is considered within an acceptable deviation range. Increased cost of medicines contributed to the higher than expected cost per PDE.
	Total expenditure – Chronic Hospitals	*BAS*	*361 110*	*390 897*	*378 575*		
	Patient day equivalent	*DHIS calculates*	*157 033*	*158 932*	*148 588*		
Strategic Objective 5.1: Improve compliance to the Ideal Clinic and National Core Standards							
5.1.6) Sustain a complaint resolution rate of 90% (or more) in all public health facilities from March 2018 onwards	9. Complaint resolution rate	DHIS	94.9%	97.9%	100%	2.1%	Intensified role clarification and orientation of Complaint Committees has shown positive results in the successful management of complaints.
	Complaint resolved	*Complaints Register*	*94*	*88*	*50*		
	Complaint received	*Complaints Register*	*99*	*90*	*50*		
5.1.7) Sustain a 85% (or more) complaint resolution within 25 working days rate in all public health facilities by March 2018 and onwards	*10.* Complaint resolution within 25 working days rate	DHIS	100%	100%	100%	0%	Target achieved - No variance.
	Complaint resolved within 25 days	*Complaints Register*	*94*	*88*	*50*		
	Complaint resolved	*Complaints Register*	*94*	*88*	*50*		
Strategic Objective 1.7: Improve hospital efficiencies							

APP 2016/17: Page 191; Table 59 (PHS 3c)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comment on Deviation**
1.7.5) Reduce the unreferred OPD headcounts with at least 7% per annum	11. OPD headcount – total	DHIS/OPD tick register	154 990	162 267	145 949	10.1%	The decrease in OPD headcount may be partly contributed to more appropriate management of patients at PHC level.
	12. OPD headcount new cases not referred	DHIS/OPD tick register	51 071	51 055	48 667[59]	4.7%	The Department considers performance as a positive result. Management of patients at the appropriate level of care.

Changes to planned targets

No targets were changed during 2016/17.

Strategies to overcome areas of under-performance

- Filling of the vacant post for the Chief Director: Hospital Services to improve leadership and strategic direction.
- Improved compliance with National Core Standards: Filling of the post Director: Quality Assurance to strengthen leadership in quality improvement at facility level including development and implementation of Quality Improvement Plans based on self-assessment results to improve compliance with National Core Standards.
- Appointment of Quality Improvement Committees at provincial and district level will be prioritised to improve clinical governance.
- Finalisation and implementation of the Hospital Rationalisation Plan will be prioritised and fast tracked to improve efficiencies including utilisation of scarce resources.

Linking performance with budget

Programme 4 reported an over-expenditure of R 4 112 million (R 26 107 million on Specialised Tuberculosis and R 526 000 on Specialised Psychiatric Hospitals).

[59] This is heavily influenced by 48 649 cases not referred at Clairwood Hospital

Table 45: Budget appropriation and expenditure

Programme per sub programme		2016/17							2015/16	
		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 (Regional) Hospitals**									
	Current payments	7 758 093	-	-13 743	7 744 350	7 663 795	80 555	99.0%	7 182 224	7 183 200
	Transfers and subsidies	24 066	-	27 629	51 695	152 445	-100 750	294.9%	78 916	99 152
	Payments for capital assets	18 000	-	29 817	47 817	6 409	41 408	13.4%	41 915	27 205
	Payment for financial assets	-	-	-	-	-	-	-	-	2 419
	Total	**7 800 159**	**-**	**43 703**	**7 843 862**	**7 822 649**	**21 213**	**99.7%**	**7 303 055**	**7 311 976**
4.2	**Tuberculosis Hospitals**									
	Current payments	718 099	-	-3 350	714 749	742 458	-27 709	103.9%	709 385	702 855
	Transfers and subsidies	34 490	-	-444	34 046	34 046	-	100.0%	33 151	29 899
	Payments for capital assets	2 000	-	-	2 000	398	1 602	19.9%	1 500	1 388
	Total	754 589	-	-3 794	750 795	776 902	-26 107	103.5%	744 036	734 142
4.3	**Psychiatric / Mental Hospitals**									
	Current payments	828 035		-11 535	816 500	819 574	-3 074	100.4%	783 072	782 992
	Transfers and subsidies	2 624	-	1 488	4 112	4 112	-	100.0%	3 223	3 558
	Payments for capital assets	4 200	-	-	4 200	1 652	2 548	39.3%	1 883	1 628
	Total	**834 859**	**-**	**-10 047**	**824 812**	**825 338**	**-526**	**100.1%**	**788 178**	**788 178**
4.4	**Chronic Medical Hospitals**									
	Current payments	387 844	-	-12 388	375 456	376 032	-576	100.2%	357 513	359 412
	Transfers and subsidies	1 053	-	1 175	2 228	2 347	-119	105.3%	867	1 534
	Payments for capital assets	2 000	-	-	2 000	196	1 804	9.8%	1 000	164

Programme per sub programme		2016/17							2015/16	
		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
	Total	**390 897**	**-**	**-11 213**	**379 684**	**378 575**	**1 109**	**99.7%**	**359 380**	**361 110**
4.5	**Dental Training Hospitals**									
	Current payments	19 880	-	-312	19 568	19 369	199	99.0%	18 860	18 689
	Transfers and subsidies	50	-	32	82	82	-	100.0%	37	269
	Total	**19 930**	**-**	**-280**	**19 650**	**19 451**	**199**	**99.0%**	**18 897**	**18 958**

PROGRAMME 5 - TERTIARY & CENTRAL HOSPITALS

Programme Description & Purpose

Programme Purpose

To provide tertiary health services and creates a platform for the training of health workers.

There are no changes to the structure of Programme 5.

Sub-Programmes

Sub-Programme 5.1: Central Hospitals

Render highly specialised medical health and quaternary services on a national basis and serve as platform for the training of health workers and research.

Sub-Programme 5.2: Tertiary Hospitals

To provide tertiary health services and creates a platform for the training of Specialist Health Professionals.

Strategic Objectives, Performance Indicators, Targets and Achievements

SO 1.7) Improve hospital efficiencies

The high vacancy rate for Specialists (30.9%) affects delivery of the required package of services, with the biggest pressure areas in the departments of Anaesthetics, General Surgery, Radiology, Oncology, Urology, Ophthalmology and Otorhinolaryngology.

The recruitment and retention of Specialists in especially Ngwelezana Hospital is a major concern, as this hospital struggle to render the full regional package of services. This hospital must play a leading role in implementation of the Decentralised Training Model and the high vacancy rate have the potential to derail this programme.

Budget constraints and austerity measures affected service provisioning including timeous filling of additional posts for expansion of services and rendering the full package of Tertiary and Central Hospital services. Staff shortages in some clinical disciplines resulted in backlogs to service delivery.

Delays in the finalisation of the Hospital Rationalisation Plan will be addressed in 2017/18 to ensure effective use of scarce resources.

SO 5.1) Improve compliance to the Ideal Clinic and national Core Standards

Compliance with the National Core Standards remained a challenge which will be prioritised again in the coming MTEF.

Tertiary Hospitals

Table 46: Strategic Objectives, Indicators and Targets – Greys, King Edward VIII, Ngwelezana Hospitals

APP 2016/17: Page 203; Table 65 (C&THS 1)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comments on Deviation**
Strategic Objective 5.1: Improve compliance to the Ideal Clinic and National Core Standards							
5.1.3) 100% Public health hospitals conduct annual national core standard (NCS) self-assessments by March 2017	1. National core standards self-assessment rate	DHIS/ Assessment Records	100%	100%	67%	(33%)	Inadequate human resources at facility level to conduct the complete self-assessment against National Core Standards. Partial self-assessments are not considered in reporting.
	Number of Tertiary Hospitals that conducted national core standard self-assessment to date in the current financial year	*Self-Assessment Records*	*2*	*3*	*2*		
	Total number of Tertiary Hospitals	*DHIS*	*2*	*3*	*3*		
5.1.4) 100% Public health hospitals develop and implement Quality Improvement Plans based on national core standard assessment outcomes by March 2017	2. Quality improvement plan after self-assessment rate	QA Database	100%	100%	100%	0%	Target achieved - No deviation.
	Number of Tertiary Hospitals that developed a quality improvement plan to date in the current financial year	*Quality Improvement Plans*	*2*	*3*	*2*		
	Number of Tertiary Hospitals that conducted national core standard self-assessment to date in the current financial year	*Self-Assessment Reports*	*2*	*3*	*2*		
5.1.2) 60% (or more) public health hospitals compliant with extreme and vital measures of the national core standards by March 2020	3. Percentage of hospitals compliant with all extreme and vital measures of the national core standards	DHIS Database	0%	33%	0%	(100%)	Results of NCS compliance rating: 76%. Extreme standards rating (90%); and Vital standards rating (71%). Challenges include inadequate infrastructure, which impact on a number of standards and will take time to address.
	Total number of Tertiary Hospitals compliant to all extreme measures and at least 90% of vital measures of national core standards	*Assessment Records*	*0*	*1*	*0*		

APP 2016/17: Page 203; Table 65 (C&THS 1)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comments on Deviation**
	Number of Tertiary Hospitals that conducted national core standard self-assessments	*Assessment records*	*2*	*3*	*2*		
5.1.5) Sustain a 100% client satisfaction survey rate in all public health facilities from March 2017 onwards	4. Client Satisfaction survey rate	DHIS/ CSS Reports	100%	100%	100%	0%	Target achieved - No deviation.
	Total number of Tertiary Hospitals that conducted a Client Satisfaction Survey to date in the current financial year	*CSS Reports*	*2*	*3*	*3*		
	Total number of Tertiary Hospitals	*DHIS*	*2*	*3*	*3*		
5.1.1) Sustain a client satisfaction rate of 95% (or more) at all public health facilities by March 2020	5. Client satisfaction rate	DHIS/ CSS Reports	93.9%	96%	94.8%	(1.3%)	The marginal deviance is considered within an acceptable deviation range. The main concerns relate to waiting times. The shortage of staff in some clinical disciplines exacerbates waiting times.
	Total number of clients that were satisfied with services (scoring 80% or more on survey results) to date in the current financial year	*CSS Reports*	*11 147*	*113*	*6 157*		
	Total number of clients that participated in survey to date in the current financial year	*CSS Reports*	*11 867*	*118*	*6 495*		
Strategic Objective 1.7: Improve hospital efficiencies							
1.7.3) Improve hospital efficiencies by reducing the average length of stay to less than 5 days (District & Regional), 15 days (TB), 280 days (Psych), 35 days (Chronic), 7.6 days (Tertiary), and 6.5 days (Central) by March 2020	6. Average length of stay - total	DHIS	9.3 Days	7.7 Days	7.7 Days	0%	Target achieved - No deviation.
	Inpatient days-total	*Midnight Census*	*262 345*	*490 903*	*454 218*		
	Day Patients	*Admission and Discharge Register*	*12 100*	*18 213*	*20 037*		
	Inpatient separations total	*DHIS*	*28 840*	*65 228*	*60 670*		

APP 2016/17: Page 203; Table 65 (C&THS 1)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comments on Deviation**
1.7.1) Maintain a bed utilisation rate of 75% (or more) by March 2020	7. Inpatient bed utilisation rate - total	DHIS	77.8%	78.9%	71.6%[60]	(9.3%)	This is a demand driven indicator influenced by the burden of disease. It is therefore not possible to predict with 100% accuracy the number of patients that will be admitted for inpatient care. There is a gradual decrease in inpatient days and increase in the number of day patients. Improved patient management at lower levels of care and compliance with clinical referral protocols might be contributing factors to these trends.
	Inpatient days-total	*Midnight Census*	*262 345*	*490 903*	*454 218*		
	Day Patients	*Admission and Discharge Register*	*12 100*	*18 213*	*20 037*		
	Inpatient bed days available	*DHIS*	*345 145*	*633 527*	*648 240*[61]		
1.7.4) Maintain expenditure per PDE within the provincial norms	8. Expenditure per patient day equivalent	BAS/ DHIS	R 4 645	R 2 894	R 3 696	(21.7%)	This is a demand driven indicator, and therefore not possible to predict with 100% accuracy the number of people that will require health services at this level of care. Increased cost of medication and diagnostic tests contributed towards increased cost per PDE.
	Expenditure – Total Tertiary Hospital	*BAS*	*3 140 082*	*1 992 446*	*2 274 553*		
	Patient day equivalents	*DHIS*	*675 872*	*688 538*	*615 317*		
Strategic Objective 5.1: Improve compliance to the ideal Clinic and National Core Standards							
5.1.6) Sustain a complaint resolution rate of 90% (or more) in all public health facilities from March 2018 onwards	9. Complaint resolution rate	DHIS	83.4%	85%	69.4%	(18.4%)	All clients are not providing accurate contact details; some prefer to stay anonymous; and some are not able to avail themselves for follow-up in order to resolve complaints.
	Complaint resolved	*Complaints Register*	*256*	*263*	*168*		
	Complaint received	*Complaints Register*	*307*	*309*	*242*		
5.1.7) Sustain a 85% (or more) complaint resolution within 25 working days rate in all	10. Complaint resolution within 25 working days rate	DHIS	98%	100%	97.6%	(2.4%)	The complexity of some complaints, including complaints relating to clinical issues, requires a multi-disciplinary response which increases the time to resolve complaints.
	Complaint resolved within 25 working days	*Complaints Register*	*251*	*263*	*164*		

[60] This indicator has been calculated manually due to challenges with the transition from DHIS 1.4 to the Web Based DHIS
[61] This data element has been calculated manually due to the challenges with the transition from DHIS 1.4 to Web Based DHIS

APP 2016/17: Page 203; Table 65 (C&THS 1)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comments on Deviation**
public health facilities by March 2018 and onwards	*Complaint resolved*	*Complaints Register*	*256*	*263*	*168*		
Strategic Objective 2.7: Reduce maternal mortality							
2.7.2) Reduce the caesarean section rate to 25% (District), 37% (Regional), 60% (Tertiary), and 60% (Central) by March 2020	11. Delivery by caesarean section rate	DHIS	73.1%	65%	50.5%	22.3%	King Edward VIII Hospital, rendering district, regional and tertiary services, reported a low caesarean section rate (47.1% or 680/ 933). Greys Hospital, rendering tertiary services reported a much higher rate (72.9% or 2,931/ 6,219) as expected from tertiary level of care (catering for high risk/ more complex cases). Ngwelezana Hospital is not rendering maternal health services – referring maternal & child cases to Lower Umfolozi War Memorial Mother & Child Hospital.
	Delivery by caesarean section	*Theatre Register*	*797*	*4 984*	*3 611*		
	Delivery in facility total	*Delivery Register*	*1 090*	*7 668*	*7 152*		
Strategic Objective 1.7: Improve hospital efficiencies							
1.7.5) Reduce the unreferred OPD headcounts with at least 7% per annum	12. OPD headcount – total	DHIS/ OPD Tick Register	264 412	568 943	390 325	31.4%	Data from King Edward VIII Hospital is incomplete and could not be corrected before publishing of the Annual Report.
	13. OPD headcount new cases not referred	DHIS/ OPD Tick Register	21 345	49 322	31 151	36.8%	Data from King Edward VIII Hospital is incomplete and could not be corrected before publishing of the Annual Report.

Central Hospitals

Table 47: Strategic Objectives, Indicators and Targets – Inkosi Albert Luthuli Central Hospital

APP 2016/17: Page 209; Table 67 (C&THS 3)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comments on Deviation**
Strategic Objective 5.1: Improve compliance to the Ideal Clinic and National Core Standards							
5.1.3) 100% Public health hospitals conduct annual national core standard self-assessments by March 2017	1. National core standards self-assessment rate	DHIS	100%	100%	100%	0%	Target achieved - No deviation.
	Number of Central Hospitals that conducted national core standard self-assessment to date in the current financial year	*Self-Assessment Records*	*1*	*1*	*1*		
	Total number of Central Hospitals	*DHIS*	*1*	*1*	*1*		
5.1.4) 100% Public health hospitals develop and implement Quality Improvement Plans based on NCS assessment outcomes by March 2017	2. Quality improvement plan after self-assessment rate	QA Database	100%	100%	100%	0%	Target achieved - No deviation.
	Number of Central Hospitals that developed a quality improvement plan to date in the current financial year	*Quality Improvement Plans*	*1*	*1*	*1*		
	Number of Central Hospitals that conducted national core standard self-assessment to date in the current financial year	*Self-Assessment Records*	*1*	*1*	*1*		
5.1.2) 60% (or more) public health hospitals compliant with extreme and vital measures of the national core standards by March 2020	3. Percentage of hospitals compliant with all extreme and vital measures of the national core standards	DHIS	100%	100%	100%	0%	Target achieved - No deviation.
	Total number of Central Hospitals that are compliant to all extreme measures and at least 90% of vital measures of national core standards	*Assessment Records*	*1*	*1*	*1*		

APP 2016/17: Page 209; Table 67 (C&THS 3)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comments on Deviation**
	Number of Central Hospitals that conducted national core standard self-assessment to date in the current financial year	*Assessment Records*	*1*	*1*	*1*		
5.1.5) Sustain a 100% client satisfaction survey rate in all public health facilities from March 2017 onwards	4. Client satisfaction survey rate	QA Database	100%	100%	100%	0%	Target achieved - No deviation.
	Total number of Central Hospitals that conducted a Client Satisfaction Survey to date in the current financial year	*CSS Reports*	*1*	*1*	*1*		
	Total number of Central Hospitals	*DHIS*	*1*	*1*	*1*		
5.1.1) Sustain a client satisfaction rate of 95% (or more) at all public health facilities by March 2020	5. Client satisfaction rate	QA Database	92%	96%	94.9%	(1.1%)	The marginal deviation which is considered within an acceptable deviation range. Most common complaints revolved around waiting times, which are exacerbated by shortage of staff in some clinical disciplines.
	Total number of clients that were satisfied with services (scoring 80% or more on survey results) to date in the current financial year	*CSS Reports*	*21 734*	*113*	*3 914*		
	Total number of clients that participated in survey to date in the current financial year	*CSS Reports*	*23 187*	*118*	*4 121*		
Strategic Objective 1.7: Improve hospital efficiencies							
1.7.3) Improve hospital efficiencies by reducing the average length of stay to less than 5 days (District & Regional), 15 days (TB), 280 days (Psych), 35 days (Chronic), 7.6 days (Tertiary), and 6.5 days (Central) by March 2020	6. Average length of stay - total	DHIS	8.6 Days	8.5 Days	8.7 Days	(2.4%)	This is a demand driven indicator influenced by the burden of disease. It is therefore not possible to predict with 100% accuracy. The complexity of highly specialised clinical management at this level of care impact on the length of inpatient care before transfer out or discharge.
	Inpatient days-total	*Midnight Census*	*203 522*	*205 760*	*204 871*		
	Day Patients	*Admission and Discharge Register*	*1 602*	*1 548*	*1 651*		
	Inpatient separations	*DHIS*	*23 756*	*24 337*	*23 515*		

APP 2016/17: Page 209; Table 67 (C&THS 3)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comments on Deviation**
1.7.1) Maintain a bed utilisation rate of 75% (or more) by March 2020	7. Inpatient bed utilisation rate - total	DHIS	66.2%	67.1%	66.6%	(0.7%)	The marginal deviation is considered within an acceptable deviation range. This is a demand driven indicator influenced by the burden of disease. It is therefore not possible to predict with 100% accuracy. The gradual increase in the number of day patients' has an impact on bed utilisation/ inpatient care.
	Inpatient days-total	*Midnight Census*	*203 522*	*205 760*	*204 871*		
	Day Patients	*Admission and Discharge Register*	*1 602*	*1 548*	*1 651*		
	Inpatient bed days available	*DHIS*	*308 824*	*308 824*	*308 790*		
1.7.4) Maintain expenditure per PDE within the provincial norms	8. Expenditure per PDE	BAS/ DHIS	R 7 701	R 8 173	R 8 323	1.80%	The higher than expected cost per PDE is mainly due to the increased cost of medicines and diagnostic tests.
	Total expenditure Central Hospital	*BAS*	*2 087 907*	*2 250 558*	*2 259 604*		
	Patient day equivalents	*DHIS*	*271 090*	*275 365*	*271 479*		
Strategic Objective 5.1: Improve compliance to the Ideal Clinic and National Core Standards							
5.1.6) Sustain a complaint resolution rate of 90% (or more) in all public health facilities from March 2018 onwards	9. Complaint resolution rate	DHIS	99.2%	80%	99.2%	24%	Intensified role clarification and orientation of Complaint Committees has shown positive results in the successful management of complaints.
	Complaint resolved	*Complaints Register*	*119*	*55*	*126*		
	Complaint received	*Complaints Register*	*120*	*69*	*127*		
5.1.7) Sustain a 85% (or more) complaint resolution within 25 working days rate in all public health facilities by March 2018 and onwards	10. Complaint resolution within 25 working days rate	DHIS	96.6%	96.5%	87.3%	(9.5%)	Complaints related to clinical services often require in-depth investigation with participation of multi-disciplinary stakeholders. This usually needs more than 25 days to resolve.
	Complaint resolved within 25 working days	*Complaints Register*	*115*	*53*	*110*		
	Complaint resolved	*Complaints Register*	*119*	*55*	*126*		
Strategic Objective 2.7: Reduce maternal mortality							

APP 2016/17: Page 209; Table 67 (C&THS 3)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comments on Deviation**
2.7.2) Reduce the caesarean section rate to 25% (District), 37% (Regional), 60% (Tertiary), and 60% (Central) by March 2020	11. Delivery by caesarean section rate	DHIS	72.2%	69.7%	78.5%	(12.6%)	The higher than expected caesarean section rate is due mainly to the complexity of referrals (complicated cases) at this level of care.
	Delivery by caesarean section	*Theatre Register*	*301*	*317*	*300*		
	Delivery in facility total	*Delivery Register*	*417*	*455*	*382*		
Strategic Objective 1.7: Improve hospital efficiencies							
1.7.6) Appropriate referral as per referral criteria	12. OPD headcount – total	DHIS/ OPD Tick Register	195 333	201 880	192 511	4.6%	The indicator is demand driven (influenced by the burden of disease) and therefore not possible to predict with 100% accuracy. The reduction might be partly due to improved management of patients at the lower levels of care.

Changes to planned targets

No targets were changed during 2016/17.

Strategies to overcome areas of under-performance

- Finalise service contracts with service providers.
- Prioritise finalisation of the Hospital Rationalisation Plan to improve efficiencies and ensure optimal utilisation of scarce resources.
- Collaboration with UKZN in expansion of the Decentralised Training Programme in identified decentralised sites. Ensure alignment of the Human Resource Plan with requirements for expansion and maintenance.
- Robust monitoring of the Oncology strategy to ensure effective implementation as per identified deliverables.

Linking performance with budget

Programme 5 reported an over-expenditure of R 89 456 million for Tertiary Hospitals and under-expenditure of R 89 456 million for Central Hospitals.

Table 48: Budget appropriation and expenditure

Programme per sub programme		2016/17							2015/16	
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
5.1	**Central Hospital Services**									
	Current payments	2 356 471	-	-13 490	2 342 981	2 248 665	94 316	96%	2 060 696	2 081 027
	Transfers and subsidies	5 000	-	-921	4 079	8 939	-4 860	219.1%	2 627	6 880
	Payments for capital assets	-	-	2 000	2 000	2 000	-	100%	-	-
	Total	**2 361 471**	**-**	**-12 411**	**2 349 060**	**2 259 604**	**89 456**	**96.2%**	**2 063 323**	**2 087 907**
5.2	**Provincial Tertiary Hospitals Services**									
	Current payments	2 166 105	-	-9 581	2 156 524	2 223 752	-67 228	103.1%	2 001 200	2 011 441
	Transfers and subsidies	7 763	-	9 409	17 172	39 594	-22 422	230.6%	21 332	23 552
	Payments for capital assets	5 500	-	5 901	11 401	11 207	194	98.3%	2 746	2 029
	Total	**2 179 368**	**-**	**5 729**	**2 185 097**	**2 274 553**	**-89 456**	**104.1%**	**2 025 278**	**2 037 022**

Source: Annual Financial Statements and BAS

PROGRAMME 6 - HEALTH SCIENCES & TRAINING

Programme Description & Purpose

Render training and development opportunities for actual and potential employees of the Department of Health.

There are no changes to the structure of Programme 6.

Sub-Programme 6.1: Nurse Training College

Train nurses at undergraduate and post-basic level. Target group includes actual and potential employees.

Sub-Programme 6.2: EMS Training College

Train rescue and ambulance personnel. Target group includes actual and potential employees.

Sub-Programme 6.3: Bursaries

Providing bursaries for health science training programmes at under and postgraduate levels and targeting actual and potential employees.

Sub-Programme 6.4: PHC Training

Provision of PHC related training for personnel, provided by the regions.

Sub-Programme 6.5: Training (Other)

Provision of skills development programmes for all occupational categories in the Department. Target group includes actual and potential employees.

Strategic Objectives, Performance Indicators, Targets and Achievements

SO 4.1) Improve human resources for health

Due to financial constraints and agreement with Mpumalanga, the KZNCN bursary intake for student nurses has been reduced with only one intake annually in January. A total of 1 501 nurses graduated in the KZNCN in 2016/17. To make provision for the identified gap for specialised nursing, a total of 321 Clinical Specialists, 54 Advanced Midwifes and 173 PHC nurses (UKZN) completed their training for absorption in the system. Community service and service obligation placements for all bursary obligation students of the KZNCN were successfully done in all gazetted institutions.

Other training and placement of students are included in Part A of the Annual Report.

SO 4.3) Accreditation of KZNCN as Institution of Higher Learning

The KZNCN has not yet been accredited, but is implementing an Accreditation Implementation Plan including preparation for the amalgamation of Campuses and Sub-Campuses. The College commenced with curriculum development for the new nursing qualifications, which is one of the criteria to be met for accreditation. The Bachelor in Nursing Degree curriculum has been submitted to the South African Nursing Council (SANC) and Council of Higher Education (CHE); and the Diploma in Nursing curriculum has been finalised and ready for submission to the SANC and CHE. Academic and governance policies has been reviewed, refined and developed, awaiting approval and ratification by the College Senate and College Council.

In preparation for the New Nursing Qualifications, Prince Mshiyeni Memorial Campus has submitted applications for offering the Bachelor's Degree in Nursing. Responses are awaited from the CHE.

The College has made strides in the offering of Post Basic Programmes to employees of the KwaZulu-Natal Department of Health, by receiving accreditation for the Diploma in Emergency Nursing Care as well as accreditation for extended offering of the Diploma in Advanced Midwifery and Neonatal Nursing Science, which will commence once readiness of the Campuses have been established.

Progress has been made in establishing the Zululand College of Nursing, where all Nursing Education Institutions will be accommodated at the Ulundi Legislature Building. A Memorandum of Agreement has been entered into between the Department of Public Works and KwaZulu-Natal Department of Health. Grey's Campus has received a donation of Information Technology equipment from MTN, which will greatly enhance the teaching and learning environment.

The College of Emergency Care commenced with implementation of the National Emergency Care Education and Training (NECET) Policy including offering accredited training courses for Emergency Care Assistants (ECA) and Emergency Care Technicians (ECT). During the year under review, the College offered courses for Intermediate Life Support (ILS) which is accredited by the Health Professions Council of South Africa (HPCSA); and training programmes specific to the EMS environment including Rescue, Driver Training, Emergency Service Management, Emergency Medical Dispatch and Aviation Health Care Provider training. The College used a network of District Trainers to provide training in all districts with one to five day refresher/ update programmes.

Table 49: Strategic Objectives, Indicators and Targets

APP 2016/17: Page 221; Table 73 (HST 1)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comment on Deviation**
Strategic Objective 4.1: Improve human resources for health							
4.1.4) Allocate 569 bursaries for first year medicine students between 2015/16 and 2019/20	1. Number of bursaries awarded for first year medicine students	Bursary Register	57	60	16	(73.3%)	Bursary numbers had to be reduced significantly due to severe financial constraints. No new Cuban Programme students received bursaries for the 2016/17 financial year.
4.1.5) Allocate 2 000 bursaries for fist year nursing students between 2015/16 and 2019/20	2. Number of bursaries awarded for first year nursing students	Bursary Register	90	225	108	(52%)	Due to severe financial constraints and the training agreement with Mpumalanga Province, the KZNCN bursary intake had to be reduced to 1 intake per annum.
Strategic Objective 4.3: Accreditation of KZNCN as Institution of Higher Education							
4.3.1) KZNCN accredited as institution of Higher Education by March 2017	3. KZNCN accredited as Institution of Higher Education	Accreditation Certificate	Not achieved	Accredited (10 Campuses approved)	Not accredited	(100%)	Although not yet ready for accreditation, systems and processes, in line with the requirements prescribed by the Council for Higher Education, are being implemented. National technical working groups are in the process of finalising the National Nursing Policy, which will guide the application for accreditation for the new nursing qualifications.
Strategic Objective 4.1: Improve human resources for health							
4.1.9) Increase enrolment of Advanced Midwives by at least 10% per annum	4. Number of Advanced Midwifes graduating per annum	KZNCN Database	29	121	54	(55.4%)	The UKZN Advanced Midwife training programme was terminated which resulted in a drop of student intakes and number of students graduating.

APP 2016/17: Page 221; Table 73 (HST 1)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comment on Deviation**
4.1.10) Improve access for people with disabilities by training 1 100 service providers in sign language by March 2020	5. Number of employees trained in sign language (cumulative)	Annual Training Report	213	220	599	172.3%	Additional funding for training was sourced from a private partner and HWSETA.
4.1.6) Increase intake of Mid-Level Workers with at least 10% per annum (based on need per category)	6. Number of new students enrolled in Mid-Level Worker training courses	Student Records	140	100	99	(1%)	The marginal deviance is considered within an acceptable deviation range. One student could not write the examination due to ill-health.
4.1.8) Increase the number of MOP's who successfully completed the degree course at DUT to 90 (cumulative) by March 2020	7. Number of MOPs that successfully completed the degree course at DUT	Training Report/ DUT Student Records	0	27	0	(100%)	The number of intakes was reduced to ensure absorption of successful students in the public health system. Due to financial constraints, the expansion of the services to additional Orthotic Centres has been delayed.
4.1.6) Increase intake of Mid-Level Workers with at least 10% per annum (based on need per category)	8. Number of new Pharmacy Assistants enrolled in training courses	Annual Training Report	208	200	206	3%	The marginal deviance is considered within an acceptable deviation range. Current students include 108 Learner Basic; and 98 Learner Post Basic. Six additional students were accommodated based on the demand/ service need for Pharmacy Assistants.
	9. Number of new Clinical Associates enrolled in training courses	Annual Training Report	140	48	9	(81.3%)	Intake had to be reduced significantly due to budget pressures. In total, 85 Clinical Associates are currently studying.
4.1.7) Improve the EMS skills pool by increasing the number of EMS personnel trained in ILS	10. Number of Intermediate Life Support graduates per annum	Training Report/ EMS College Register	41	72	38	(47.2%)	A total of 3 ILS courses (with 24 students each) were completed during 2016/17. Of the 72 students, a total of 38 students successfully completed the training.

APP 2016/17: Page 221; Table 73 (HST 1)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comment on Deviation**
to 360 and ECT to 150 by March 2020	11. Number of Emergency Care Technician graduates per annum	Training Report/ EMS College Register	13	0	0	0%	No deviation. The College of Emergency Care (COEC) is not yet accredited by the HPCSA for the ECT training course. The college is in the process to prepare for the NECET policy roll out including accreditation.

Changes to planned targets

No targets were changed during 2016/17.

Strategies to overcome areas of under-reporting

- Establish partnerships between the Department and Higher Education Institutions (HEIs) to expand the training platform for the mid-level cadres. Ensure filling of vacant posts of professionals for optimal supervision and support of these cadres in the workplace.
- Negotiate with other training providers for specific clinical training identified as a need in the department e.g. Netcare for the trauma course.

Linking performance with budget

Programme 6 reported 100% expenditure against the allocated budget.

Table 50: Budget appropriation and expenditure

Programme per sub programme		2016/17							2015/16	
		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 payments	276 781	-	-3 011	273 770	273 861	-91	100.0%	274 343	274 345
	Transfers and subsidies	2 682	-	-1 347	1 335	1 335	-	100.0%	1 705	3 085
	Payments for capital assets	2 019	-	-1 497	522	33	489	6.3%	3 350	72
	Total	**281 482**	**-**	**-5 855**	**275 627**	**275 229**	**398**	**99.9%**	**279 398**	**277 502**
6.2	**EMS Training Colleges**									
	Current payments	19 176	-	-2 634	16 542	16 542	-	100.0%	5 273	5 273
	Transfers and subsidies	-	-	-	-	-	-	-	-	28
	Payments for capital assets	-	-	-	-	-	-	-	25	25
	Total	**19 176**	**-**	**-2 634**	**16 542**	**16 542**	**-**	**100.0%**	**5 298**	**5 326**
6.3	**Bursaries**									
	Current payments	31 117	-	-215	30 902	30 902	-	100.0%	27 644	17 870
	Transfers and subsidies	289 893	-	1 581	291 474	291 976	-502	100.2%	253 032	262 725
	Payments for capital assets		-	-	-	-	-	-	-	2
	Payment for financial assets	-	-	-	-	-	-	-	7	7
	Total	**321 010**	**-**	**1 366**	**322 376**	**322 878**	**-502**	**100.2%**	**280 683**	**280 604**
6.4	**Primary Health Care Training**									
	Current payments	40 921	-	-2 296	38 625	38 625	-	100.0%	40 700	40 700
	Transfers and subsidies	309	-	201	510	510	-	100.0%	200	369
	Payments for capital assets	-	-	-	-	-	-	-	-	-

Programme per sub programme		2016/17							2015/16	
		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
	Total	**41 230**	**-**	**-2 095**	**39 135**	**39 135**	**-**	**100.0%**	**40 900**	**41 069**
6.5	**Training Other**									
	Current payments	532 310	-	-5 048	527 262	527 171	91	100.0%	433 571	435 280
	Transfers and subsidies	19 942	-	190	20 132	20 119	13	99.9%	18 972	19 041
	Payments for capital assets	-	-	-	-	-	-	-	-	-
	Total	**552 252**	**-**	**-4 858**	**547 394**	**547 290**	**104**	**100.0%**	**452 543**	**454 321**

Source: Annual Financial Statements (BAS)

PROGRAMME 7 - HEALTH CARE SUPPORT SERVICES

Programme Description & Purpose

To render support services required by the Department to realise its aims.

There are no changes to the structure of Programme 7.

Sub-Programme 7.1: Laundry Services

Render laundry services to hospitals, care and rehabilitation centres and certain local authorities.

Sub-Programme 7.2: Engineering Services

Render a maintenance service to equipment and engineering installations, and minor maintenance to buildings.

Sub-Programme 7.3: Forensic Services

Render specialised forensic and medico-legal services in order to establish the circumstances and causes surrounding unnatural death.

Sub-Programme 7.4: Orthotic and Prosthetic Services

Render specialised orthotic and prosthetic services.

Sub-Programme 7.5: Pharmaceutical Service (Medicine Trading Account)

Render Pharmaceutical services to the Department. Manage the supply of pharmaceuticals and medical sundries to hospitals, Community Health Centres and local authorities via the Medicine Trading Account.

Strategic Objectives, Performance Indicators, Targets and Achievements

SO 1.9) Strengthen health system effectiveness

Due to funding constraints and reprioritisation of infrastructure projects, the two additional Orthotic Centres in King Cetshwayo and Uthukela Districts could not be upgraded for commissioning. The two existing Centres in eThekwini and Umgungundlovu however provided extensive outreach services to cover services in other districts. The projects will be re-prioritised in the Infrastructure 10-year plan.

SO 5.2) Improve quality of care

Medicine stock-out rates were reduced significantly during the financial year in spite of national stock-outs that could not be prevented.

The Cross-Docking Model for Procurement and Distribution of Pharmaceuticals has been finalised and approved, and implementation will commence in 2017/18.

The rapid expansion of the CCMDD programme, from 209 to 606 facilities providing the service and 316 to 2 069 pick-up points, contributed to significant decongestion of PHC clinics, which resulted in improved waiting times at clinics.

Table 51: Strategic Objectives, Indicators and Targets

APP 2016/17: Page 231; Table 79 (HCSS 1)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comment on Deviation**
Strategic Objective 1.9: Strengthen health system effectiveness							
1.9.2) Decrease and maintain zero clean linen stock outs in facilities from March 2018 onwards	1. Percentage of facilities reporting clean linen stock outs	Laundry Register	18%	20%	13%	35%	Improved management of Laundry Services, including management of clean linen; and the procurement of new linen in early 2016/17 increased linen in circulation.
	Number of facilities reporting clean linen stock out	*Laundry Register*	*13*	*15*	*9*		
	Facilities total	*DHIS*	*72*	*73*	*73*		
1.9.5) Implement the approved Forensic Pathology Rationalisation Plan by March 2017	2. Forensic Pathology Rationalisation Plan	Rationalisation Plan	Plan not approved	Reviewed Rationalisation Plan approved	Plan not finalised	Not achieved	Governance and organisational arrangements, that must inform the Forensic Pathology Services Model, is still under advisement as part of the Department's Turn-Around Plan.
1.9.1) Increase the number of operational Orthotic Centres to 11 by March 2020	3. Number of operational Orthotic Centres (cumulative)	Orthotic Centres	2	4	2	(50%)	Infrastructure upgrades of the proposed new sites have been delayed due to severe Infrastructure budget constraints. Expansion and commissioning will be reviewed based on the availability of funding.
Strategic Objective 5.2: Improve quality of care							
5.2.1) Increase the percentage pharmacies that comply with the SA Pharmacy Council Standards (A or B grading) to 100% by March 2020	4. Percentage of Pharmacies that obtained A and B grading on inspection	Grading Certificates	97%	90%	91%	1.1%	Improved oversight and management resulted in improved compliance with the SA Pharmacy Council Standards.
	Pharmacies with A or B Grading	*Grading Certificates*	*84*	*80*	*86*		
	Number of pharmacies	*Pharmacy Records*	*87*	*89*	*95*		

APP 2016/17: Page 231; Table 79 (HCSS 1)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comment on Deviation**
5.2.2) PPSD compliant with good Wholesaling Practice Regulations by March 2017	5. PPSD compliant with good Wholesaling Practice Regulations	License from Medicine Control Council	Not complaint	Complaint	Not compliant	(100%)	Significant infrastructure investment is required to restore the building to the required standards. Consistent infrastructure budget constraints however remain a serious challenge.
5.2.3) Decrease medicine stock-out rates to less than 1% in all health facilities and PPSD by March 2020	6. Tracer medicine stock-out rate (PPSD)	Pharmacy Database	17.4%	5%	6.3%	(26%)	Some suppliers were unable to supply on their contracts with no alternative suppliers to enable buyout against defaulting contracted suppliers. Some items were procured on quotation as there were no bidders when the tenders were advertised for those specific items.
	Number of tracer medicine out of stock	*Pharmacy Records*	*96*	*3*	*35*		
	Total number of tracer medicine expected to be in stock	*Pharmacy Records*	*552*	*182*	*552*		
	7. Tracer medicine stock-out rate (Institutions)	Pharmacy Records	4.4%	3%	2%	33.3%	Improved management and control at institutional level ensured that adequate stock levels are maintained at facilities. Stock-outs due to failure of suppliers to deliver however impact on facility stock levels.
	Number of tracer medicines stock out in bulk store	*Pharmacy Records*	*1 555*	*480*	*1 298*		
	Number of tracer medicines expected to be stocked in the bulk store	*Pharmacy Records*	*50 832*	*15 987*	*80 751*		
5.2.4) Improve pharmaceutical procurement and distribution reforms	8. Percentage facilities on Direct Delivery Model for Procurement and Distribution of Pharmaceuticals	Pharmacy Records	Not reported	100%	97%	(3%)	The marginal deviance is considered within an acceptable deviation range. Three facilities could not be put on the expanded Direct Delivery Strategy due to infrastructural challenges. These facilities will be targeted in the next MTEF.
	Number of facilities on Direct Delivery Model	*Facilities Records*	-	*96*	*93*		
	Total number of facilities eligible for Direct Delivery Model	*Pharmacy Records*	-	*96*	*96*		
	9. Percentage facilities on Cross-Docking Model for Procurement and Distribution of Pharmaceuticals	Pharmacy Database	Not reported	32%	0%	(100%)	The preparation for the Cross Docking Model has not been completed for implementation. It is expected to be ready for rollout in 2017/18.

APP 2016/17: Page 231; Table 79 (HCSS 1)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comment on Deviation**
	Number of facilities on Cross-Docking Model	*Pharmacy Database*	-	*227*	*0*		
	Total number of facilities eligible for Cross-Docking Model	*Pharmacy Database*	-	*700*	*748*		
	10. Percentage of items on Direct Delivery and Cross Docking Model	Pharmacy Database	Not reported	50%	54%	8%	Additional items were added on the catalogue as new contracts are awarded. The change to the denominator value is due to items added and deleted to the STGs & EML and contracted items.
	Number of items on Direct Delivery and Cross Docking Model	*Pharmacy Database*	-	*404*	*482*		
	Total number of items in the Provincial Essential Medicines Catalogue	*Essential Medicines Catalogue*	-	*808*	*900*		
	11. Number of facilities implementing the CCMDD Programme	Pharmacy Database	Not reported	209	606	190%	The Programme has been prioritised and was actively promoted by the MEC for Health during the reporting year. All districts were targeted as opposed to the initially targeted NHI Pilot Districts.
	12. Number of patients enrolled on CCMDD programme (cumulative)	Pharmacy Database	Not reported	300 000	619 020	106.3%	The Programme has been prioritised and was actively promoted by the MEC for Health during the reporting year. All districts were targeted as opposed to the initially targeted NHI Pilot Districts.
	13. Number of pick-up points linked to CCMDD	Pharmacy Database	Not reported	316	2 069	554.7%	All chronic medicines collection sites (Pick-up-Points) are linked to the CCMDD Programme. Pick-up-Points included Spaced Fast Lanes Appointment Queues; Adherence Clubs; and External Pick-up Points as per Decongestion Strategy (Differentiated Model of Care).

Changes to planned targets

No targets were changed during 2016/17.

Strategies to overcome areas of under-performance

- The Cross Docking Implementation Plan for distribution of pharmaceuticals has been approved and will commence in the 2017/18 financial year onwards. This is expected to improve efficiencies and reduce medicine volumes in the warehouse/ PPSD. Cross Docking will be funded through the Trading Account levy.
- The human resource capacity constraints remain a challenge, which is exacerbated by fiscal challenges. The revenue generated through the Trading Account levy will be utilised to fund the filling of critical vacancies in 2017/18.

Linking performance with budget

Programme 7 reported an under-expenditure of R 31 600 million against the allocated budget.

Table 52: Budget appropriation and expenditure

Programme per sub programme		2016/17							2015/16	
		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	**Laundry Services**									
	Current payments	275 784	-	-12 849	262 935	240 935	22 000	91.6%	101 482	133 797
	Transfers and subsidies	600	-	22	622	622	-	100.0%	298	142
	Payments for capital assets	3 500	-	-2 454	1 046	46	1 000	4.4%	10 732	214
	Total	**279 884**	**-**	**-15 281**	**264 603**	**241 603**	**23 000**	**91.3%**	**112 512**	**134 153**

Programme per sub programme		2016/17							2015/16	
		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
7.2	**Orthotic and Prosthetic Services**									
	Current payments	36 523	-	-9 335	27 188	27 151	37	99.9%	34 003	31 840
	Transfers and subsidies	80	-	(66)	14	14	-	100.0%	5	102
	Payments for capital assets	10 000	-	-1 437	8 563	-	8 563	-	-	-
	Total	**46 603**	**-**	**-10 838**	**35 765**	**27 165**	**8 600**	**76.0%**	**34 008**	**31 942**

Source: Annual Financial Statements (BAS)

PROGRAMME 8 - HEALTH FACILITIES MANAGEMENT

Programme Description & Purpose

Provisioning of new health facilities and the refurbishment, upgrading and maintenance of existing health facilities

There are no changes to the structure of Programme 8.

Sub-Programme 8.1: Community Health Facilities

The construction of new facilities and the refurbishment, upgrading and maintenance of existing Community Health Centres, Primary Health Care clinics and facilities

Sub-Programme 8.2: Emergency Medical Services

The construction of new facilities and refurbishment, upgrading and maintenance of existing EMS facilities

Sub-Programme 8.3: District Hospitals

The construction of new facilities and refurbishment, upgrading and maintenance of existing District Hospitals

Sub-Programme 8.4: Provincial (Regional) Hospital Services

The construction of new facilities and refurbishment, upgrading and maintenance of existing Provincial/ Regional Hospitals and Specialised Hospitals

Sub-Programme 8.5: Central Hospital Services

The construction of new facilities and refurbishment, upgrading and maintenance of existing Tertiary and Central Hospitals

Sub-Programme 8.6: Other Facilities

The construction of new facilities and refurbishment, upgrading and maintenance of other health facilities including forensic pathology facilities and nursing colleges and schools

Strategic Objectives, Performance Indicators, Targets and Achievements

SO 3.3) Improve health facility planning and infrastructure delivery

The Programme performed very well under severe funding constraints. Delays in the completion of upgrading and renovation projects were due to challenges with Contractors that are being addressed through robust oversight and monitoring.

SO 3.2) Create job opportunities

The Department created an additional 221 jobs through the Expanded Public Works Programme (EPWP) during the financial year under review.

Table 53: Strategic Objectives, Indicators and Targets

APP 2016/17: Page 240; Table 85 (HFM 1)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comments on Deviation**
Strategic Objective 3.3: Improved health facility planning and infrastructure delivery							
3.3.4) Major and minor refurbishment completed at 37 health facilities by March 2018	1. Number of health facilities that have undergone major and minor refurbishment	IRM,PMIS and Monthly Reports	96	8	50	525%	The better than expected performance due to: A significant number of maintenance projects are under minor refurbishment, which explains the variance. A recommendation for review of the national indicator definition to be more specific (inclusion and exclusion criteria) was discussed with the National Department of Health.
3.3.5) Annual SLA signed with the Department of Public Works to accelerate infrastructure delivery	2. Establish service level agreements (SLAs) with Departments of Public Works (and any other implementing agents)	SLAs	1	1	1	0%	Target achieved - No deviation.
Strategic Objective 3.2: Create job opportunities							
3.2.1) Create 11 800 jobs through the Expanded Public Works Programme (EPWP) by March 2020 (cumulative)	3. Number of jobs created through the EPWP	IRS and EPWP Quarterly Reports	2 084	2 400	2 621	9.2%	The better than expected performance is due to improved reporting from Pixley Isaka ka Seme Hospital Contractors towards the end of 2016/17. Poor reporting from Contractors for this project had been factored as a risk during submission of the 2016/17 Infrastructure Plan.
Strategic Objective 3.3: Improved health facility planning and infrastructure delivery							

APP 2016/17: Page 240; Table 85 (HFM 1)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2015/16**	**Target 2016/17**	**Actual 2016/17**	**Deviation from Planned 2016/17 Target**	**Comments on Deviation**
3.3.1) Commission 28 new projects by March 2020	4. Number of new clinical projects with completed construction	IRM, PMIS and Monthly Reports	4	4	32	700%	The significantly better than expected performance due to: A significant number of projects reached practical completion sooner than expected; while some projects were not closed at the expected date (prior to 2016/17) due to contractual challenges. After resolving contractual issues it was possible to close projects before the end of 2016/17.
	5. Number of new clinical projects where commissioning is complete	IRM, PMIS and Monthly Reports	15	5	25	400%	The significantly better than expected performance due to: A significant number of projects reached practical completion sooner than expected; and some projects were not closed at the expected date (prior to 2016/17) due to contractual challenges. After resolving contractual issues it was possible to close projects before the end of 2016/17.
3.3.2) Complete 35 upgrading & renovation projects by March 2019 (cumulative)	6. Number of upgrading and renovation projects with completed construction	IRM, PMIS and Monthly Reports	27	30	21	(30%)	The lower than expected performance due to anticipated projects that could not be completed due to Contractor delays e.g. Old boys; Stanger Hospital neonatal and labour ward; and 3 PHC clinics in the Umzinyathi District.
3.3.3) 100% of maintenance budget spent annually	7. Percentage of maintenance budget spent	IRM, PMIS and Monthly Reports	108.28%	100%	99%	(1%)	The variance is considered within an acceptable deviation range. A number of invoices could not be paid due to late submission after closure of BAS for the 2016/17 financial year.
	Maintenance budget spent	*BAS*	*196 250 000*	*300 000 000*	*285 079 882*		
	Maintenance budget	*BAS*	*212 495 624*	*300 000 000*	*287 079 882*		

Changes to planned targets

No targets were changed during 2016/17.

Strategies to overcome areas of under-performance

- The planned targets that have not been achieved are due to the poor performance of Contractors. Affected facilities were Ex-Boys Model School (Conversions of existing building to offices); Stanger Hospital (Neonatal and labour wards); and three (3) unfinished new clinics in the Umzinyathi District.
- To address challenges, the Department plan to:
  - Deploy more Department of Health personnel for various delivery stages (including procurement processes) within the Department of Public Works.
  - Formally appoint Department of Health officials on all Department of Public Works SCM Committees.
  - Approve all projects pre-construction stages within the project life cycle.
  - Providing robust oversight and monitoring of all Project Teams, including Professional Service Providers, through regular Project Team Progress Meetings.
  - Fully implement the Standard of Infrastructure Procurement and Delivery Management from 2017/18 onwards.

Linking performance with budget

Programme 8 reported no variance from total allocation.

Table 54: Budget appropriation and expenditure

Programme per Sub-Programme		2016/17							2015/16	
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
8.1	**Community Health Facilities**									
	Current payments	69 941	-	-	69 941	74 492	-4 551	106.5%	55 228	55 268
	Payments for capital assets	79 989	-	-20 640	59 349	68 364	-9 015	115.2%	129 737	129 697
	Total	**149 930**	**-**	**-20 640**	**129 290**	**142 856**	**-13 566**	**110.5%**	**184 965**	**184 965**
8.2	**Emergency Medical Rescue Services**									
	Current payment	-	-	-	-	-	-	-	-	-
	Payment for capital assets	-	-	-	-	-	-	-	-	-
	Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
8.3	**District Hospital Services**									
	Current payments	77 167	-	1 459	78 626	85 880	-7 254	109.2%	61 313	72 307
	Payments for capital assets	79 617	-	-6 631	72 986	79 309	-6 323	108.7%	146 189	135 195
	Total	**156 784**	**-**	**-5 172**	**151 612**	**165 189**	**-13 577**	**109.0%**	**207 502**	**207 502**
8.4	**Provincial Hospital Services**									
	Current payments	95 860	-	-	95 860	97 292	-1 432	101.5%	89 618	91 815
	Payments for capital assets	805 213	-	-10 245	794 968	766 231	28 737	96.4%	759 195	756 998
	Total	**901 073**	**-**	**-10 245**	**890 828**	**863 523**	**27 305**	**96.9%**	**848 813**	**848 813**
8.5	**Central Hospital Services**									
	Current payments	20 784	-	-	20 784	18 033	2 751	86.8%	14 296	18 730
	Payments for capital assets	32 751	-	-28 183	4 568	4 568	-	100.0%	15 600	11 166
	Total	**53 535**	**-**	**-28 183**	**25 352**	**22 601**	**2 751**	**89.1%**	**29 896**	**29 896**

Programme per Sub-Programme		2016/17							2015/16	
		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 Facilities**									
	Current payments	154 304	-	80	154 384	144 029	10 355	93.3%	137 352	137 733
	Transfers and subsidies	-	-	-	-	-	-	-	20 000	20 000
	Payments for capital assets	102 889	-	-33 780	69 109	82 377	-13 268	119.2%	89 090	88 709
	Total	**257 193**	**-**	**-33 700**	**223 493**	**226 406**	**-2 913**	**101.3%**	**246 442**	**246 442**

Source: Annual Financial Statements (BAS)

PART C: GOVERNANCE

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The Department remains committed in its efforts to maintain high standards of governance through governance structures to ensure effective service delivery and utilisation of resources. Overall accountability rests with the Accounting Officer on an administrative level and the MEC for Health on a political level. Legislative oversight is provided by:

- The Executive Council (Cabinet).
- The Provincial Legislature.
- Standing Committee on Public Accounts (SCOPA).
- The Finance Portfolio Committee.
- The Health Portfolio Committee.
- The Provincial Health Council.
- Cluster Audit and Risk Committee (CARC).

Risk Management

The Departmental Risk Assurance Management Services Component comprises of Audit and Internal Control, Risk Management Services, Special Investigations Unit and Security Services.

The Department has adopted a common and integrated approach to the management of risk to ensure that knowledge and experience is shared and risk management becomes embedded in the culture of the Departments' functions. This approach of effective risk management has reduced uncertainty and has given more confidence in reducing threats and pursuing opportunities, thus enabling officials in the Department to be more decisive in pursuing the Vision, Mission and Goals of the Department, whilst taking into account the risk appetite of the Department.

The Head: Health has established a Risk Management Committee (RMC) comprising of internal officials and an external member appointed as Chairperson. The RMC executes its mandate in terms of the approved Risk Management Charter and is accountable to the Head: Health.

The Department has an approved Risk Management Policy, Strategy and Implementation (Action) Plan, which have been prepared in consultation with the Risk Management Committee and approved by the Head: Health. Progress on implementation of the Plan is reported to Management and the Risk Management Committee on a monthly and quarterly basis. Three Internal Risk Management Committee meetings were held during the 2016/17 financial year.

The Department is a member of the Provincial Audit and Risk Committee which is also responsible for discharging an oversight role over Risk Management activities. Progress reports on all activities relating to activities of Risk Management are submitted quarterly to the Audit Committee through the Provincial Treasury.

The Department has revised its Strategic Risk Register with current risks and has developed Operational Risk Registers where action plans to address these risks have been implemented. It is important to highlight that the Risk Register is a live document that continues to be updated with new or emerging risks.

Fraud and Corruption

The Department has an established Special Investigations Unit, under Risk Management Assurance Services, that deals with fraud prevention activities and handles incidents reported that warrants investigative processes.

The Department has an approved Fraud Prevention Plan, which recognises basic fraud prevention initiatives and provides guidelines in prevention, detection and investigation of fraud. The plan is based on the Fraud Prevention Policy and Investigation Policy and it detail the Department's basic Fraud Prevention Strategy.

The Department, through awareness campaigns, encourages all employees to be vigilant and to report fraudulent activities via the following avenues:

- Anti-corruption Hotline: 0800 701 701 / fraudline@kznhealth.gov.za
- Fax: 033 346 6434
- Call Centre: 0800 005133

Minimising Conflict of Interest

In addition to the requirement to declare interests, the Department has established a Financial Misconduct Committee (FMC) to deal with issues of conflict of interest. The FMC investigates and makes recommendations on reported cases of conflict of interest. The recommendations include having the implicated officials disciplined and/or recovering losses incurred.

Code of Conduct

The Code of Conduct promotes a high standard of professional standards in the workplace, encourages public servants to behave ethically and ensures acceptable behaviour. Breach of the code of conduct is immediately addressed in terms of the formal and informal disciplinary code and procedures.

Health and Safety and Environmental Issues

Health and Safety Committees have been appointed at all institutions to ensure appropriate management of health and safety issues including the development and implementation of plans/ activities to address gaps. Hospital CEOs have access to the Committee meeting minutes in order to ensure appropriate leadership and oversight. Medical surveillance is conducted to monitor the health status of staff and ensure appropriate management of identified conditions. TB screening has been prioritised since it is considered high risk. Occupational post exposure prophylaxis is provided to those staff exposed to bodily fluids and needle pricks. Condoms are distributed to the staff for HIV prevention purposes.

Health Portfolio Committee

The Health Portfolio Committee exercises oversight over departmental performance, and 6 meetings were held in 2016/17 as recorded below.

- 08 March 2016.
- 11 October 2016.
- 03 November 2016.
- 06 December 2016.
- 31 January 2017.

The Department responded to all issues raised by the Committee including status reports where required.

SCOPA Resolutions

One (1) SCOPA meeting was held on 18 October 2016.

A summary of SCOPA resolutions is included in the table below.

Table 55: SCOPA Resolutions summary

Resolution Number	Subject	Details	Response by the Department
Transversal Resolution	Unauthorised expenditure in the 2015/16 financial year	1. The Department to report to the Committee by 11 November 2016 on all unauthorised expenditure incurred in the 2015/16 financial year. 2. Provide a detailed explanation for the expenditure in order to enable the Committee to consider the reasons with the view of recommending approval or otherwise. 3. The reports must include the amount of unauthorised expenditure.	Report submitted to SCOPA
23/ 2016	Movable tangible assets and minor assets	The Accounting Officer report to the Committee by 30 June 2016 on progress made in the reconstruction of its Fixed Assets Register to ensure it is compliant with relevant policies and the reporting framework.	Report submitted to SCOPA
24/ 2016	Capital commitments	The Accounting Officer report to the Committee by 31 June 2016 on the implementation and effectiveness of the system introduced by the Department to ensure that appropriate audit evidence is available to confirm capital commitments in order to address the 2014/15 audit findings.	Report submitted to SCOPA
25/ 2016	Compensation of Employees: Commuted overtime (Resolution 126/ 2015)	The Accounting Officer report to the Committee by 30 June 2016 on: 1. Progress made with regards to recovery of the balance of debts totalling R 6.241 million from employees who did not qualify for commuted overtime. 2. The implementation of the revised Commuted Overtime Policy.	Report submitted to SCOPA
26/ 2016	Significant uncertainties	The Accounting Officer report to the Committee by 30 June 2016 on the outcome of the discussions with the NHLS and National and Provincial Treasuries to resolve the matter.	Report submitted to SCOPA
27/ 2016	Medical litigation	The Accounting Officer report to the Committee by 30 June 2016 on progress made with the implementation of the resolution adopted by the Department in October 2015 to address the escalating liability of the Department in medico-legal matters; and the effectiveness of the steps taken by the Department in this regard.	Report submitted to SCOPA
28/ 2016	Investigations for	The Accounting Officer report to the Committee by 30 June 2016 on	Report submitted

Resolution Number	Subject	Details	Response by the Department
	officials who were non-compliant with SCM processes	progress made with regard to: 1. The civil claim instituted in the High Court against a former SCM Manager for R 24.4 million. 2. The recovery of monies from employees relating to unauthorised remunerative work outside the Public Service, noting that an amount of R 1.543 million out of R 82.1 million had been recovered as at 29 January 2016. 3. The Department must set out the steps taken, or to be taken, to accelerate recovery; as well as time frames for the anticipated final recovery.	to SCOPA
29/ 2016	Human Resources matters	The Accounting Officer report to the Committee by 30 June 2016 on progress made with regard to the filling of vacant Senior Management posts.	Report submitted to SCOPA
30/ 2016	Findings of the Auditor-General on SCM (Failure by suppliers to disclose employment by the State)	The Accounting Officer report to the Committee by 30 June 2016 on progress made with regard to the investigations and disciplinary action concerning those employees implicated in the Auditor-General's report for transgressions of the Departmental Policy on Remunerative Work outside the Public Service.	Report submitted to SCOPA
31/ 2016	Performance Agreements	The Accounting Officer report to the Committee by 30 June 2016 on progress made with regard to the signing of Performance Agreements by all Senior Managers	Report submitted to SCOPA
25/ 2016	Compensation of Employees: Commuted overtime	Provide a progress report on the recovery of the balance of R 2.016 million from employees who did not qualify for commuted overtime; as well as the implementation of the Policy on Commuted Overtime; and steps taken to ensure this audit finding will not be repeated.	Report submitted to SCOPA
26/ 2016	Emphasis of Matter: Significant uncertainties (NHLS debt)	Provide a progress report on the outcome of the discussions to determine the final debt payable; and the time frame for payment.	Report submitted to SCOPA
27/ 2016	Medical litigation	Provide a progress report on the implementation of the plan to manage the escalating liability of the Department for medico-legal claims; and the appointment of a Project Management Team.	Report submitted to SCOPA
28/ 2016	Investigations of officials who were non-compliant with SCM processes	Provide a progress report on the civil claim instituted against a former SCM Manager for R 24.4 million; as well as on the recovery of the balance of the remaining R 82.1 million debts of employees for unauthorised remunerative employment; including time frames for recovery.	Report submitted to SCOPA
29/ 2016	Human Resources matters	Provide a progress report on the filling of the remaining vacant Senior Management posts; and the reasons for the filling of posts taking so long.	Report submitted to SCOPA
30/ 2016	SCM findings (failure by suppliers to disclose employment by the State)	Provide a full report on the progress made with recovery of the amounts owing per employee. The report must provide the original debt per employee; as well as the amount recovered; and the time frame for full recovery.	Report submitted to SCOPA
31/ 2016	Performance Agreements	Provide a progress report on progress made with regard to the signing of Performance Agreements by the remaining 6 SMS members; as well as disciplinary steps taken for those who have not signed.	Report submitted to SCOPA

Internal Control Unit

The Audit and Internal Control Component which comprises of two sub-components, namely Audit Management and Internal Control has been responsible for the management of all audits undertaken by the

Auditor-General and the KwaZulu-Natal Provincial Treasury's Internal Audit Unit, the undertaking of compliance audits, internal control assessments, responding to the resolutions of the Portfolio Committees and the Standing Committee on Public Accounts (SCOPA) as well as undertaking ad-hoc audit and internal control assignments as requested by the Head of Health.

Audit and Internal Control has been responsible for ensuring that all audit queries/findings as identified by the Office of the Auditor-General and the Internal Audit Unit of the KwaZulu-Natal Provincial Treasury are analysed, co-ordinated and responded as well as creating and maintaining a working relationship with both the Office of the Auditor-General and the Internal Audit Unit of the KwaZulu-Natal Provincial Treasury. The component is also responsible for the compilation of the Audit Improvement Plan/s, the implementation and monitoring of the actions/mitigation strategies as well as the reporting thereof to the various oversight committees, to the National Department of Health as well as to both the Provincial and National Treasury.

Further, the Component has been responsible for the undertaking of follow-up audits, assurance assignments as well internal control assessments as well providing management at Head Office, Districts and Institutions with information concerning the various internal control weaknesses/risk areas that prevail in their institutions/ Department as well as assisting by developing strategies and actions to ensure that the identified control weaknesses/ risks are mitigated through the development and implementation of audit improvement plans/ action plans.

Further to the above, the Component is also responsible for the drafting of reports to the Standing Committee on Public Accounts (SCOPA) and the Cluster Audit and Risk Committee (CARC) relative to the reports of the Auditor-General and that of the KwaZulu-Natal Provincial Treasury's Internal Audit Unit. The Component has been responsible for the co-ordination, formulation and finalisation of all responses to resolutions of SCOPA, the Finance Portfolio Committee and the Health Portfolio Committee.

Four CARC meetings were held in the 2016/17 financial year as recorded below.

- 17 March 2016.
- 26 May 2016.
- 24 August 2016.
- 28 November 2016.

REPORT OF THE AUDIT & RISK COMMITTEE ON VOTE 7 – HEALTH

The Committee reports that it has complied with its responsibilities arising from the Public Finance Management Act, No.1 of 1999 (PFMA), Treasury Regulations 3.1, including all other related prescripts, and is pleased to present its report for the financial year ended 31 March 2017.

The Provincial Audit and Risk Committee (PARC) is the shared audit and risk committee for the provincial departments, and is further sub-divided into three Cluster Audit & Risk Committees (CARC's) that provide oversight of key functions to the KZN Provincial Government Departments. The Department of Health is served by the Social Cluster Audit & Risk Committee.

The Committee has adopted appropriate formal terms of reference contained in its Audit and Risk Committee Charter and has regulated its affairs in compliance with this charter, and reports that it has discharged all of its responsibilities as contained therein.

1. Audit Committee Members and Attendance

The PARC and Social CARC consists of the members listed hereunder who have met as reflected below, in line with the its approved terms of reference.

No	Name of Member	PARC Meetings Attended	Social CARC Meetings Attended
1.	Mr S Simelane (Acting Chairman of PARC)	4 of 4	N/A*
2	Mr P Christianson (Acting Chairperson of Social CARC)	4 of 4	4 *of 4*
3.	Mr D O'Connor	4 of 4	3 *of 4*
4.	Ms T Njozela	4 of 4	4 *of 4*
5.	Mr V Ramphal	4 of 4	N/A*

** Refers to PARC members who do not serve on the Social CARC*

2. The Effectiveness of Internal Controls

The Committee has reviewed the reports of the Provincial Internal Audit Service (PIAS), the Audit Report on the Annual Financial Statements and Management Report of the Auditor General of South Africa (AGSA) and has noted with concern, the weaknesses in controls around the following areas:

- Movable tangible capital assets and minor assets
- Commitments
- Compensation of employees (commuted overtime allowances)
- Payables and Accruals
- Contingent liabilities
- Expenditure Management - Irregular Expenditure
- Procurement and Contract Management
- Performance Information
- Forensic Pathology services
- Records Management
- Subsistence and Travelling Expenditure
- IT Inventory Management

The Committee notes the significant number of areas in which control weaknesses were identified. The appropriateness of management's planned interventions to improve the overall control environment was considered, however management was urged to implement these remedial interventions timeously, to ensure that the Department improves on its audit outcomes.

3. Effectiveness of Internal Audit

PIAS activities were reviewed by the Committee during the PARC and CARC monitoring processes. The Committee evaluated internal audit reports detailing the assessment of the adequacy and effectiveness of controls designed to mitigate the risks associated with operational and strategic activities of the department.

The PIAS planned to conduct fourteen (14) audit assignments for the period under review, all of which were finalised during the period under review.

The PIAS performed effectively during the period under review even though the Committee noted with concern, the financial and other limitations imposed upon it. During the 2017/18 financial year, the Committee will monitor the progress made by the PIAS in order to ensure that it continues to fulfil its mandate and add value to the department.

4. Risk Management

The responsibilities of the Committee with respect to risk management are formally defined in its Charter. For the period under review, the Committee's responsibilities have been focused, amongst other things, on the quarterly review of the department's risk register and monitoring progress against the Risk Management Operational Plan.

As at the end of this financial year, the department's risk register status was as follows:

	Risk Grouping					Total
	Critical	Major	Moderate	Minor	Insignificant	
Number of Identified Risks	30	22	29	14	0	95
Number of Identified Action Plans	105	60	55	10	0	230
Number of Completed Action Plans.	86	10	0	0	0	96

The Committee has, throughout the period under review, been concerned about the department's poor management and oversight over its risk register, mainly with respect to the department's failure to update its risk register regularly on a quarterly basis, as well as the slow progress in addressing long outstanding risk mitigation plans. The department is urged to expedite the implementation of the outstanding risk mitigation plans and to regard the risk register as a dynamic document which should be reviewed and updated on a quarterly basis.

The Committee is also concerned about the slow progress the Department has made in implementing the action plans in respect of Risk Maturity, Business Continuity, Fraud Prevention and Occupational Health and Safety. The department is again urged to improve its performance in the areas highlighted during the 2017/18 financial year. The Committee also notes that the Department's Internal Risk Committee is chaired by a person other than the department's Accounting Officer, which is contrary to the 2015 Provincial Executive Resolution on Minimum Risk Management Standards for Provincial Departments.

5. Quality of in year management and monthly/quarterly reports

The Committee was satisfied with the content and quality of quarterly reports in respect of in year management and quarterly performance, prepared and issued by the Accounting Officer of the Department during the year under review, in terms of the PFMA and the Division of Revenue Act, except for accruals and payables which exceeded the Department's voted funds and which would have resulted in unauthorised expenditure.

Based on the reports of the Internal Auditors and the Auditor General, the Committee notes with concern the deficiencies identified in the usefulness and reliability of reported performance information due to the failure of the Department to implement adequate systems to collect, collate, verify and retain performance related data. The management of the department has been urged to implement the appropriate improvement strategies in order to address the identified shortcomings with immediate effect.

6. Evaluation of Financial Statements

The Committee has:

- Reviewed and discussed the Annual Financial Statements with the Accounting Officer, Auditor General and Internal Audit;
- Reviewed the Auditor General's Audit Report;
- Reviewed the Department's processes for compliance with legal and regulatory provisions, and concerns have been noted around reliability of performance information, procurement and contract management, failure to recognise and properly account for contingent liabilities, failure to pay suppliers within 30 days and failure to prevent irregular expenditure as a result of non-compliance with supply chain management prescripts.
- Reviewed the conclusion on the reliability and usefulness of performance information resulting from the audit of the Department. We note with concern that the significantly important targets were not reliable when compared to the source information or portfolio of evidence provided. There were also concerns raised concerning the lack of evidence in support of the reported performance information. The Department needs to urgently attend to the issues highlighted with respect to the production of performance information.

7. Forensics Investigations

The Committee noted that there were seventeen (17) forensic investigations from 2009 to date, all relating to the alleged irregular appointment of service providers and officials, irregular funeral claims and irregular payments to Doctors, supply chain management and procurement irregularities and mismanagement of funds, which the department has referred to the PIAS for investigation. Thirteen (13) of these investigations are finalised and four (4) are in-progress.

The Committee noted that Forensic reports were, in many instances, continuously deferred to the next CARC meeting despite commitments made in audit committee reports. The committee further raised a concern with the inconsistency of the sanctions imposed by disciplinary committees. The department and the PIAS are urged to promptly finalize the outstanding investigations, and work together to implement recommendations made in the finalised investigation.

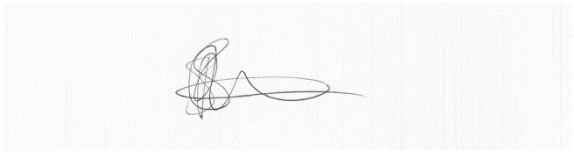
8. Auditor-General's Report

The Committee has monitored the implementation of corrective action plans to address the audit issues raised by the Auditor General in the prior financial year. The Committee has met with the Auditor General of South Africa to discuss and evaluate the major issues that emanated from the current regulatory audit. The Committee will ensure that corrective actions in respect of the detailed findings emanating from the current regulatory audit continue to be monitored on a quarterly basis through the CARC processes.

The Committee concurs and accepts the conclusion of the Auditor General's qualified opinion 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.

9. Appreciation

The Committee wishes to express its appreciation to the Management of the Department, the Auditor General of South Africa, and the Provincial Internal Audit Services for the co-operation and support they have provided to enable us to compile this report.



Mr S Simelane
Acting Chairman: Provincial Audit and Risk Committee
07 August 2017

PART D: HUMAN RESOURCES OVERSIGHT REPORT

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Personnel Related Expenditure

The following tables summarise the final audited personnel related expenditure by programme and salary band, and provide an indication of the:

- Amount spent on personnel; and
- Amount spent on salaries, overtime, homeowner's allowances and medical aid.

Table 56: (3.1.1) Personnel expenditure by programme: 01/04/2016 – 31/03/2017

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
(P1) Administration	845 675	365 803	0	0	43	4
(P2) District health services	17 723 961	11 229 552	0	0	63	112
(P3) Emergency medical services	1 209 291	866 530	0	0	72	9
(P4) Provincial hospital services	9 822 928	7 442 081	0	0	76	74
(P5) Central hospital services	4 534 157	2 492 410	0	0	55	25
(P6) Health sciences & training	1 201 075	821 215	0	0	68	8
(P7) Health care support services	268 768	94 283	0	0	35	1
(P8) Health facilities management	1 420 546	43 022	0	0	3	0
Medvas expenditure	-	*28 950*	*0*	*0*	-	*0*
Total on Financial Systems (BAS)	**37 026 401**	**23 383 845**	**0**	**0**	**63**	**234**

Source: Vulindlela Annual Report (10/05/2017)

Table 57: (3.1.2) Personnel cost by salary band: 01/04/2016 – 31/03/2017

Salary band [62]	Personnel expenditure (R'000)	% of total personnel cost	Number of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	721 110	3.06	4 702	153 362
Skilled (Levels 3-5)	6 566 642	27.87	32 405	202 643
Highly skilled production (Levels 6-8)	4 672 978	19.84	14 293	326 942
Highly skilled supervision (Levels 9-12)	7 617 198	32.33	12 649	602 198
Senior management (Levels 13-16)	1 927 637	8.18	1 324	1 455 919
Other	2 928	0.01	27	108 448
Contract (Levels 1-2)	1 968	0.01	1	1 968 433

[62] Includes permanent and temporary employees

Salary band [62]	Personnel expenditure (R'000)	% of total personnel cost	Number of employees	Average personnel cost per employee (R'000)
Contract (Levels 3-5)	44 507	0.19	474	93 897
Contract (Levels 6-8)	241 285	1.02	759	317 898
Contract (Levels 9-12)	1 056 222	4.48	1 500	704 148
Contract (Levels 13-16)	204 332	0.87	141	1 449 161
Contract Other	72 124	0.31	1 649	43 738
Periodical Remuneration	36 902	0.16	939	39 299
Abnormal Appointment	281 350	1.19	29 232	9 625
Total	**23 447 183**	**99.53**	**100 095**	**234 249**

Source: Vulindlela Annual Report (10/05/2017)

Table 58: (3.1.3) Salaries, Overtime, Home Owners Allowance & Medical Aid: 01/04/2016 – 31/03/2017

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as % of personnel costs	Amount (R'000)	Overtime as % of personnel costs	Amount (R'000)	Home Owners Allowance as % of personnel costs	Amount (R'000)	Medical Aid as % of personnel costs
(P1) Administration	284 955	73.7	2 810	0.7	7 962	2.1	14 466	3.7
(P2) District health services	7 965 928	70	249 473	2.2	448 779	3.9	525 688	4.6
(P3) Emergency medical services	519 712	59.2	100 311	11.4	40 665	4.6	61 899	7.1
(P4) Provincial hospital services	5 019 117	67.7	457 989	6.2	239 400	3.2	346 007	4.7
(P5) Central hospital services	1 742 579	69.3	176 202	7	74 046	2.9	110 819	4.4
(P6) Health sciences & training	609 270	74.1	114 181	13.9	6 676	0.8	10 370	1.3
(P7) Health care support services	62 796	66.3	2 560	2.7	5 780	6.1	9 138	9.6
(P8) Health facilities management	24 894	96.7	0	0	32	0.1	94	0.4
Persal Agencies	*3 061*	*77.3*	*179*	*4.5*	*66*	*1.7*	*91*	*2.3*
Trading Accounts	*18 424*	*61.8*	*0*	*0*	*1 320*	*4.4*	*1 930*	*6.5*
Total	**16 250 736**	**69**	**1 103 705**	**4.7**	**824 726**	**3.5**	**1 080 502**	**4.6**

Source: Vulindlela Annual Report (10/05/2017)

Table 59: (3.1.4) Salaries, Overtime, Home owners Allowance & Medical Aid: 01/04/2016 – 31/03/2017

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as % of personnel costs	Amount (R'000)	Overtime as % of personnel costs	Amount (R'000)	Home Owners Allowance as % of personnel costs	Amount (R'000)	Medical Aid as % of personnel costs
Lower skilled (Levels 1-2)	478 421	66.3	644	0.1	68 661	9.5	49 374	6.8
Skilled (Levels 3-5)	4 385 022	66.4	84 075	1.3	438 703	6.6	532 967	8.1
Highly skilled production (Levels 6-8)	3 229 274	68.8	46 901	1	183 053	3.9	274 123	5.8
Highly skilled supervision (Levels 9-12)	5 453 480	71.3	291 370	3.8	128 916	1.7	210 929	2.8
Senior management (Levels 13-16)	1 238 913	64	395 955	20.5	3 381	0.2	10 428	0.5
Other	2 454	83.8	3	0.1	177	6	69	2.3
Contract (Levels 1-2)	1 882	94	0	0	3	0.1	0	0
Contract (Levels 3-5)	42 271	93.4	44	0.1	86	0.2	118	0.3
Contract (Levels 6-8)	213 521	88.1	2 144	0.9	874	0.4	1 161	0.5
Contract (Levels 9-12)	740 350	70	235 885	22.3	648	0.1	625	0.1
Contract (Levels 13-16)	132 521	64.6	46 591	22.7	222	0.1	710	0.3
Contract Other	71 922	99.6	93	0.1	1	0	0	0
Abnormal Appointment	260 704	92.5	0	0	2	0	0	0
Total	**16 250 735**	**69**	**1 103 704**	**4.7**	**824 725**	**3.5**	**1 080 503**	**4.6**

Source: Vulindlela Annual Report (10/05/2017)

Employment and Vacancies

The tables in this section summarise the position with regard to employment and vacancies including the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff additional to the approved establishment. This information is presented in terms of three key variables namely:

- Programmes
- Salary Bands
- Critical Occupations

Critical occupations have been identified as important to be monitored. In terms of current regulations, it is possible to create a post on an establishment that can be occupied by more than one employee. Therefore the vacancy rate reflects the percentage of posts that are not filled.

Table 60: (3.2.1.) Employment and vacancies by programme as on 31 March 2017

Programme [63]	Number of posts on approved establishment	Number of posts filled	Vacancy rate % (includes frozen posts)	Number of employees additional to the establishment
(p1) Administration	933	789	15.43	31
(p2) District Health Services	40 760	36 121	11.38	171
(p3) Emergency Medical Services	3 289	2 971	9.67	0
(p4) Provincial Hospital Services	22 674	20 181	10.99	16
(p5) Central Hospital	6 979	6 196	11.22	0
(p6) Health Sciences & Training	3 819	3 133	17.96	451
(p7) Health Care Support	508	431	15.16	0
(p8) Health Facilities Management	8	6	25.00	1
Trading account	117	96	17.95	0
Total	**79 087**	**69 924**	**11.59**	**670**

Source: Vulindlela Annual Report (10/05/2017)

Table 61: (3.2.2.) Employment and vacancies by salary band as on 31 March 2017

Salary band [64]	Number of posts on approved establishment	Number of posts filled	Vacancy rate %[65]	Number of employees additional to establishment
Lower Skilled (Levels 1-2)	5 262	4 702	10.67	0
Skilled (Levels 3-5)	36 487	32 405	11.2	0
Highly Skilled Production (Levels 6-8)	15 854	14 293	9.95	90
Highly Skilled Supervision (Levels 9-12)	15 219	12 649	17.48	7
Senior Management (Levels 13-16)	1 715	1 324	23.08	2
Other	1 676	1 676	0	415
Contract (Levels 1-2)	1	1	0	0
Contract (Levels 3-5)	474	474	0	51
Contract (Levels 6-8)	759	759	0	65
Contract (Levels 9-12)	1 500	1 500	0	37
Total	**79 088**	**69 924**	**11.59**	**670**

Source: Vulindlela Annual Report (10/05/2017)

[63] Includes permanent and temporary staff within specific Programmes
[64] Includes permanent and temporary employees
[65] Note that the vacancy rate is influenced by the abolishing of unfunded posts on Persal

Table 62: (3.2.3.) Employment and vacancies by critical occupation as on 31 March 2017

Critical occupations [66]	Number of posts on approved establishment	Number of posts filled	Vacancy rate %	Number of employees additional to establishment
All Artisans In the Building Metal Machinery etc.	454	378	16.74	0
Ambulance and Related Workers	3 110	2 805	9.81	2
Dental Practitioners	170	151	11.18	5
Dieticians and Nutritionists	248	215	13.31	0
Emergency Services Related	50	48	4.00	0
Engineers and Related Professionals	62	39	37.10	4
Environmental Health	103	93	9.71	3
Medical Practitioners	4 167	3 544	14.95	8
Medical Research and Related Professionals	114	99	13.16	0
Medical Specialists	1 154	798	30.85	7
Occupational Therapy	260	213	18.08	0
Optometrists and Opticians	87	75	13.79	9
Oral Hygiene	41	37	9.76	0
Pharmacists	956	835	12.66	2
Physicists	5	5	0.00	0
Physiotherapy	401	358	10.72	0
Professional Nurses	19 236	17 009	11.58	144
Psychologists and Vocational Counsellors	139	94	32.37	0
Radiography	721	633	12.21	0
Speech Therapy and Audiology	216	176	18.52	0
TOTAL	**31 694**	**27 605**	**12.90**	**184**

Source: Vulindlela Annual Report (10/05/2017)

Filling of SMS Posts

The tables in this section provide information on employment and vacancies as it relates to members of the Senior Management Service by salary level. It also provides information on advertising and filling of SMS posts, reasons for not complying with prescribed timeframes, and disciplinary steps taken.

Table 63: (3.3.1) SMS post information as on 31 March 2017

SMS level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Head: Health	1	1	100	0	0
Salary level 16 [67]	1	1	100	0	0
Salary level 15	7	5	71.43	2	28.57

[66] Includes permanent and temporary employees
[67] MEC's Post

SMS level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Salary level 14	21	11	52.38	10	47.62
Salary level 13	82	69	84.15	13	15.85
Total	**112**	**87**	**77.68**	**25**	**22.32**

Source: Persal Reports (31/03/2017)

Table 64: (3.3.2) SMS post information as on 30 September 2016

SMS level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Head: Health	1	1	100	0	0
Salary level 16 [68]	1	1	100	0	0
Salary level 15	7	6	85.71	1	14.29
Salary level 14	22	13	59.09	9	40.91
Salary level 13	81	68	83.95	13	16.05
Total	**112**	**89**	**79.46**	**23**	**20.54**

Source: Persal Reports (30/09/2017)

Table 65: (3.3.3) Advertising and filling of SMS posts: 01/04/2016 – 31/03/2017

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled during 2016/17	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Head: Health	1	0	0.00	0	0.00
Salary Level 16[69]	1	0	0.00	0	0.00
Salary Level 15	7	1	0.14	1	0.14
Salary Level 14	21	2	0.10	2	0.10
Salary Level 13	82	2	0.02	1	0.01
Total	**112**	**5[70]**	**0.04**	**4[71]**	**0.04**

Source: Source: Persal Reports (31/03/2017) and HR Practices and Administration database

Notes

In terms of Public Service Regulations Chapter 1, Part Vll C, 1A,2, Departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes. In the event of non-compliance with the regulation, the relevant executive authority or Head of Department must take appropriate disciplinary steps in terms of section 16A(1) or (2) of the Public Service Act.

[68] MEC's Post
[69] MEC's Post
[70] SMS posts filled during 1 April 2016 - 31 March 2017
[71] SMS posts vacated during 1 April 2016 - 31 March 2017

Table 66: (3.3.4) Reasons for non-compliance with filling of funded vacant SMS posts[72]: 01/04/2016 – 31/03/2017

Reasons for vacancies not advertised within 6 months
The delay in the filling of SMS posts is due to non-approval for filling of posts from the Office of the Premier and Provincial Treasury based on unavailability of funding.
Reasons for vacancies not filled within 6 months
Non-approval for the filling of posts from the Office of the Premier and Provincial Treasury based on unavailability of funding.

Source: HR Practices and Administration database

Table 67: (3.3.5) Disciplinary steps taken for non-compliance with prescribed timeframes for filling SMS posts within 12 months: 01/04/2016 – 31/03/2017

Disciplinary steps taken: Reasons for vacancies not advertised within six months
Disciplinary steps could not be taken as failure to filling of posts was due to non-approval from the Office of the Premier and Provincial Treasury.
Disciplinary steps taken: Reasons for vacancies not filled within six months
Disciplinary steps could not be taken as failure to filling of posts was due to non-approval from the Office of the Premier and Provincial Treasury.

Source: HR Practices and Administration database

Job Evaluations

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 being filled. The following table 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 68: (3.4.1) Job Evaluation by salary band: 01/04/2016 – 31/03/2017

Salary band	Number of posts on approved establishment	Number of jobs evaluated	% of posts evaluated by salary bands	Posts upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	5 262	5 243	99.64	38	0.72	17	0.32
Skilled (Levels 3-5)	36 487	36 402	99.77	4 184	11.49	54	0.15
Highly skilled production (Levels 6-8)	15 854	15 764	99.43	192	1.22	10	0.06
Highly skilled supervision (Levels 9-12)	15 219	15 172	99.69	15	0.10	4	0.03
Senior management service Band A	1 204	1 202	99.83	2	0.17	0	0.00
Senior management service Band B	236	231	97.88	0	0.00	0	0.00

[72] Advertised within 6 months and filled within 12 months after becoming vacant

Salary band	Number of posts on approved establishment	Number of jobs evaluated	% of posts evaluated by salary bands	Posts upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Senior management service Band C	236	233	98.73	0	0.00	0	0.00
Senior management service Band D	39	38	97.44	0	0.00	0	0.00
Other	1 676	1 668	99.52	0	0.00	0	0.00
Contract (Levels 1-2)	1	1	100.00	0	0.00	0	0.00
Contract (Levels 3-5)	474	437	92.19	2	0.46	0	0.00
Contract (Levels 6-8)	759	755	99.47	0	0.00	0	0.00
Contract (Levels 9-12)	1 500	1 495	99.67	0	0.00	0	0.00
Contract Band A	126	126	100.00	0	0.00	0	0.00
Contract Band B	10	10	100.00	0	0.00	0	0.00
Contract Band C	4	3	75.00	0	0.00	0	0.00
Contract Band D	1	1	100.00	0	0.00	0	0.00
Total	**79 088**	**78 781**	**99.61**	**4 433**	**5.63**	**85**	**0.11**

Source: Vulindlela Annual Report (10/05/2017)

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 upgraded posts could also be vacant.

Table 69: (3.4.2) Profile of employees whose positions were upgraded due to their posts being upgraded: 01/04/2016 – 31/03/2017

Gender	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***

Source: Vulindlela Annual Report (10/05/2017)

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

Table 70: (3.4.3) Employees with salary levels higher than those determined by job evaluation by occupation: 01/04/2016 – 31/03/2017

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
None	0	0	0	-
Percentage of total employed	**0**	**0**	**0**	**-**

Source: Vulindlela Annual Report (10/05/2017)

Table 71: (3.4.4) Profile of employees who have salary levels higher than those determined by job evaluation: 01/04/2016 – 31/03/2017

Total number of employees whose salaries exceeded the grades determine by job evaluation	0

Source: Vulindlela Annual Report (10/05/2017)

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 and critical occupations.

Table 72: (3.5.1) Annual turnover rates by salary band: 01/04/2016 – 31/03/2017

Salary band [73] [74]	Number of employees at beginning of 1 April 2016	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Lower Skilled (Levels 1-2)	7 687	46	223	2.90
Skilled (Levels 3-5)	31 995	139	1 112	3.48
Highly Skilled Production (Levels 6-8)	15 194	164	878	5.78
Highly skilled supervision (Levels 9-12)	11 077	312	1 128	10.18
Senior management service Band A	784	23	96	12.24
Senior management service Band B	160	4	23	14.38
Senior management service Band C	202	5	16	7.92
Senior management service Band D	27	1	1	3.70
Other	2 150	532	482	22.42
Contract (Levels 1-2)	27	0	1	3.70
Contract (Levels 3-5)	233	119	53	22.75
Contract (Levels 6-8)	758	516	490	64.64
Contract (Levels 9-12)	1 581	523	564	35.67
Contract Band A	123	8	26	21.14

[73] Includes permanent and temporary staff per salary band
[74] The actual number of SMS employees is 87. The figures in the table include OSD employees whose salary notches fall within the SMS band as categorised by Vulindlela. These employees are not covered by the SMS Handbook and therefore not SMS employees

Salary band [73] [74]	Number of employees at beginning of 1 April 2016	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Contract Band B	14	1	6	42.86
Contract Band C	4	0	1	25.00
Contract Band D	1	0	0	0.00
Total	**72 017**	**2 393**	**5 100**	**7.08**

Source: Vulindlela Annual Report (10/05/2017)

Notes for Table 3.5.2:

Critical occupations are defined as occupations or sub-categories within an occupation:

- In which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
- For which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
- Where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
- In respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

Table 73: (3.5.2) Annual turnover rates by critical occupation: 01/04/2016 – 31/03/2017

Critical Occupation [75]	Number of employees at beginning of 1 April 2016	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
All Artisans in the Building Metal Machinery etc.	400	1	20	5.00
Ambulance and Related Workers	2 857	13	70	2.45
Dental Practitioners	144	39	32	22.22
Dieticians and Nutritionists	219	40	49	22.37
Emergency Services Related	49	0	0	0.00
Engineering Sciences Related	45	9	4	8.89
Environmental Health	95	8	11	11.58
Medical Practitioners	3 711	701	959	25.84
Medical Research and Related Professionals	61	41	5	8.20
Medical Specialists	730	75	135	18.49
Occupational Therapy	217	65	65	29.95
Optometrists and Opticians	76	13	15	19.74
Oral Hygiene	42	1	6	14.29
Pharmacists	823	159	171	20.78

[75] Includes permanent and temporary staff per critical occupation category

Critical Occupation [75]	Number of employees at beginning of 1 April 2016	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Physicists	7	0	2	28.57
Physiotherapy	325	75	72	22.15
Professional Nurses	16 662	259	1 146	6.88
Psychologists and Vocational Counsellors	105	20	39	37.14
Radiography	615	102	102	16.59
Speech Therapy and Audiology	177	60	67	37.85
Total	**27 360**	**1 681**	**2 970**	**10.86**

Source: Vulindlela Annual Report (10/05/2017)

The next table identifies the major reasons why staff left the Department.

Table 74: (3.5.3) Reasons why staff left the Department: 01/04/2016 – 31/03/2017

Termination type [76]	Number	% of total resignations
Death	339	6.65
Resignation	2 038	39.96
Expiry of contract	1 703	33.39
Transfers	1	0.02
Discharged due to ill health	50	0.98
Dismissal-misconduct	91	1.78
Retirement	878	17.22
Total	**5 100**	**100.00**
Total number of employees who left as a % of the total employment		***7.29***

Source: Vulindlela Annual Report (10/05/2017)

Table 75: (3.5.4) Promotions by critical occupation: 01/04/2016 – 31/03/2017

Occupation	Employees as at 1 April 2016	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
All Artisans in Building Metal Machinery etc.	400	0	0.00	257	64.25
Ambulance and Related Workers	2 857	2	0.07	1 994	69.79
Dental Practitioners	144	2	1.39	72	50.00
Dental Specialists	1	0	0.00	0	0.00
Dieticians and Nutritionists	219	0	0.00	107	48.86
Emergency Services Related	49	0	0.00	29	59.18

[76] Includes permanent and temporary staff per critical occupation category

Occupation	Employees as at 1 April 2016	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
Engineering Sciences Related	45	1	2.22	1	2.22
Environmental Health	95	0	0.00	58	61.05
Medical Practitioners	3 711	92	2.48	927	24.98
Medical Research and Related Professionals	61	0	0.00	16	26.23
Medical Specialists	730	18	2.47	282	38.63
Occupational Therapy	217	0	0.00	88	40.55
Optometrists and Opticians	76	0	0.00	31	40.79
Oral Hygiene	42	0	0.00	28	66.67
Pharmacists	823	5	0.61	356	43.26
Physicists	7	0	0.00	4	57.14
Physiotherapy	325	1	0.31	180	55.38
Professional Nurses	16 662	225	1.35	3 593	21.56
Psychologists and Vocational Counsellors	105	0	0.00	41	39.05
Radiography	615	4	0.65	309	50.24
Speech Therapy and Audiology	177	0	0.00	61	34.46
Total	**27 361**	**350**	**1.28**	**8 434**	**30.82**

Source: Vulindlela Annual Report (10/05/2017)

Table 76: (3.5.5) Promotions by salary band: 01/04/2016 – 31/03/2017

Salary band [77]	Employees on 1 April 2016	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)	7 687	4	0.05	2 266	29.48
Skilled (Levels 3-5)	31 995	55	0.17	17 601	55.01
Highly skilled production (Levels 6-8)	15 194	135	0.89	5 465	35.97
Highly skilled supervision (Levels 9-12)	11 077	169	1.53	3 396	30.66
Senior management (Levels 13-16)	1 173	65	5.54	774	65.98
Other	2 126	0	0.00	3	0.14
Other, Temporary	24	0	0.00	0	0.00
Contract (Levels 1-2)	27	0	0.00	0	0.00
Contract (Levels 3-5)	233	0	0.00	27	11.59
Contract (Levels 6-8)	758	5	0.66	15	1.98
Contract (Levels 9-12)	1 581	18	1.14	99	6.26
Contract (Levels 13-16)	142	7	4.93	67	47.18

[77] Includes permanent and temporary staff per salary band

Salary band [77]	Employees on 1 April 2016	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
Total	**72 017**	**458**	**0.64**	**29 713**	**41.26**

Source: Vulindlela Annual Report (10/05/2017)

Employment Equity

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

Table 77: (3.6.1) Total number of employees in each of the following occupational categories as on 31 March 2017

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Officials and Managers	46	1	13	4	37	5	11	4	121
Professionals	1 988	60	961	451	2 225	110	1 384	456	7 635
Technicians and Associate Professionals	3 783	48	377	27	17 882	457	1 959	354	24 887
Clerks	2 535	42	360	27	4 227	115	449	131	7 886
Service Shop and Market Sales Workers	4 282	39	477	17	14 719	139	410	50	20 133
Craft and Related Trade Workers	344	28	61	53	26	0	0	0	512
Plant and Machine Operators and Assemblers	582	11	60	3	250	3	8	1	918
Labourers and Related Workers	2 406	36	229	24	53	173	5 111	26	7 832
Total	**15 966**	**265**	**2 538**	**606**	**44 251**	**882**	**4 394**	**1 022**	**69 924**
Employees with disabilities	***169***	***6***	***47***	***10***	***141***	***1***	***22***	***10***	***406***

Source: Vulindlela Annual Report (10/05/2017) and Employment Equity database

Table 78: (3.6.2) Total number of employees in each of the following occupational bands as on 31 March 2017

Occupational Bands[78]	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	31	5	68	54	12	1	42	16	229
Senior management	256	6	266	95	143	16	240	73	1 095

[78] Includes temporary and permanent employees

Occupational Bands[78]	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Professionally qualified and experienced specialists and mid-management	1 762	42	565	123	7 980	260	1 614	303	12 649
Skilled technical and academically qualified workers, junior management, supervisors, foremen	2 758	74	796	87	8 803	294	1 216	265	14 293
Semi-skilled and discretionary decision making	8 571	85	515	40	22 251	200	669	74	32 405
Unskilled and defined decision making	1 496	17	92	12	2 972	27	78	8	4 702
Not available[79]	474	4	24	6	1 003	31	125	9	1 676
Contract (Top management)	2	0	0	2	0	0	1	0	5
Contract (Senior management)	68	1	10	23	18	1	4	11	136
Contract (Professionally qualified)	283	25	179	157	388	24	263	181	1500
Contract (Skilled technical)	155	3	17	5	356	22	120	81	759
Contract (Semi-skilled)	109	3	6	2	325	6	22	1	474
Contract (Unskilled)	1	0	0	0	0	0	0	0	1
Total	**15 966**	**265**	**2 538**	**606**	**44 251**	**882**	**4 394**	**1 022**	**69 924**

Source: Vulindlela Annual Report (10/05/2017) and Employment Equity database

Table 79: (3.6.3) Recruitment: 01/04/2016 – 31/03/2017

Occupational Bands[80]	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	0	2	1	1	0	0	0	6
Senior Management	13	0	4	2	4	0	3	1	27
Professionally qualified and experienced specialists and mid-management	108	2	31	14	112	6	28	11	312
Skilled technical and academically qualified workers, junior management, supervisors, foremen	60	1	9	7	67	2	16	2	164
Semi-skilled and discretionary decision making	55	1	10	3	68	1	1	0	139

[79] All these employees' salary levels (according to notches) are far below salary level one which is the lowest band of all occupational levels, thus they appear as not available in the Vulindlela report. This means that they cannot be linked to any of the occupational levels or occupational band as per Vulindlela report (Deputy Director: Employment Equity)

[80] Includes temporary and permanent employees

Occupational Bands[80]	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Unskilled and defined decision making	28	0	0	2	12	0	2	2	46
Not Available[81]	181	0	4	3	326	4	12	2	532
Contract (Senior Management)	7	0	0	1	0	0	0	1	9
Contract (Professionally qualified)	95	4	54	63	122	6	102	77	523
Contract (Skilled technical)	99	2	13	5	193	20	105	79	516
Contract (Semi-skilled)	22	0	0	0	94	1	2	0	119
Total	**670**	**10**	**127**	**101**	**999**	**40**	**271**	**175**	**2 393**
Employees with disabilities	***3***	***0***	***0***	***0***	***1***	***0***	***0***	***0***	***4***

Source: Vulindlela Annual Report (10/05/2017) and Employment Equity database

Table 80: (3.6.4) Promotions: 01/04/2016 – 31/03/2017

Occupational Bands[82]	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	16	1	46	40	3	1	26	10	143
Senior Management	152	2	172	68	82	8	164	48	696
Professionally qualified and experienced specialists and mid-management	564	18	248	48	1847	85	646	109	3 565
Skilled technical and academically qualified workers, junior management, supervisors, foremen	1 191	44	450	48	3 139	111	496	121	5 600
Semi-skilled and discretionary decision making	5 286	57	308	24	11 419	124	399	39	17 656
Unskilled and defined decision making	623	13	40	7	1 539	15	28	5	2 270
Not Available[83]	2	0	0	0	1	0	0	0	3
Contract (Top Management)	1	0	0	0	0	0	0	0	1
Contract (Senior Management)	34	1	4	16	10	1	1	6	73
Contract (Professionally qualified)	31	4	20	11	30	0	12	9	117
Contract (Skilled technical)	5	0	0	0	14	0	1	0	20
Contract (Semi-skilled)	7	1	0	0	18	0	1	0	27

[81] See Comment 18, Table 23
[82] Includes temporary and permanent employees
[83] See Comment 18, Table 23

Occupational Bands[82]	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Total	**7 912**	**141**	**1 288**	**262**	**18 102**	**345**	**1 774**	**347**	**30 171**
Employees with disabilities	***110***	***3***	***32***	***8***	***63***	***0***	***12***	***4***	***232***

Source: Vulindlela Annual Report (10/05/2017) and Employment Equity database

Table 81: (3.6.5) Terminations: 01/04/2016 – 31/03/2017

Occupational Bands[84]	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	4	0	5	0	1	0	6	1	17
Senior Management	27	0	32	18	15	2	19	6	119
Professionally qualified and experienced specialists and mid-management	256	4	54	29	619	19	93	54	1 128
Skilled technical and academically qualified workers, junior management, supervisors, foremen	197	3	36	16	495	24	72	35	878
Semi-skilled and discretionary decision making	379	3	34	5	630	10	42	9	1 112
Unskilled and defined decision making	61	1	4	3	141	0	10	3	223
Not Available[85]	129	1	4	1	331	5	11	0	482
Contract (Top Management)	0	0	0	1	0	0	0	0	1
Contract (Senior Management)	6	0	7	9	3	0	0	7	32
Contract (Professionally qualified)	90	1	73	68	119	14	109	90	564
Contract (Skilled technical)	73	2	18	5	196	10	92	94	490
Contract (Semi-skilled)	11	1	2	1	36	0	2	0	53
Contract (Unskilled)	0	0	0	0	1	0	0	0	1
Total	**1 233**	**16**	**269**	**156**	**2 587**	**84**	**456**	**299**	**5 100**
Employees with disabilities	***9***	***0***	***4***	***0***	***7***	***1***	***0***	***1***	***22***

Source: Vulindlela Annual Report (10/05/2017) and Employment Equity database

[84] Includes temporary and permanent employees
[85] See Comment 18, Table 23

Table 82: (3.6.6) Disciplinary action[86]: 01/04/2016 – 31/03/2017

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Dismissal	9	0	1	0	3	0	1	0	14
Final written warning	5	0	2	1	24	0	1	0	33
No outcome	0	0	0	0	0	0	0	0	0
Suspended without payment	23	1	4	0	12	0	2	1	42
Written warning	14	0	0	0	12	0	6	1	33
Total	**51**	**1**	**7**	**1**	**51**	**0**	**10**	**2**	**122**

Source: Labour Relations database

Table 83: (3.6.7) Skills development: 01/04/2016 – 31/03/2017

Occupational categories	Male					Female					Total
	African	Coloured	Indian	White	Total Male	African	Coloured	Indian	White	Total Female	
Clerical Support Workers	640	10	20	8	***678***	1 146	39	51	11	***1 236***	1 925
Elementary Occupations	73	3	6	2	***84***	87	0	0	1	***88***	172
Managers	189	2	29	13	***233***	326	10	47	18	***383***	633
Plant and Machine Operators and Assemblers	21	1	10	0	***32***	18	0	16	1	***35***	67
Professionals	1 968	28	110	239	***2 345***	6 192	119	405	360	***6 716***	9 413
Service and Sales Workers	152	6	14	3	***175***	490	9	7	7	***506***	688
Skilled Agricultural, Forestry, Fishery, Craft and Related Trades Workers	55	0	5	0	***60***	44	0	0	2	***44***	106
Technicians and Associate Professionals	497	8	23	40	***568***	1 228	14	43	26	***1 285***	1 878
Grand Total	**3 595**	**58**	**217**	**305**	***4 175***	**9 531**	**191**	**569**	**426**	***10 291***	**14 882**

Source: Human Resource Development database

Signing of Performance Agreements by SMS Members

All members of the SMS must conclude and sign performance agreements within specific timeframes. Information regarding the signing of performance agreements by SMS members, the reason for not complying within the prescribed timeframes and disciplinary steps taken is prescribed here.

[86] Only includes formal disciplinary action

Table 84: (3.7.1) Signing of Performance Agreements by SMS members as on 31 May 2016

SMS level	Total number of funded SMS posts	Total number of SMS members	Total number of signed Performance Agreements	Signed Performance Agreements as % of total number of SMS members
Head: Health	1	1	1	100
Salary level 16[87]	1	1	1	100
Salary level 15	6	6	6	100
Salary level 14	12	12	12	100
Salary level 13	65	65	64	98
Total	**85**	**85**	**84**	**99.5**

Source: Human Resource Development database

Notes

In the event of National or Provincial election occurring within the first three months of a financial year all members of the SMS must conclude and sign their performance agreements for that financial year within three months following the month in which the elections took place. For example if elections took place in April, the reporting date in the heading of the table above should change to 31 July 2016

Table 85: (3.7.2) Reasons for not having concluded Performance Agreements for all SMS members as on 31 May 2017

Reasons
Reason for not having concluded Performance Agreement for all SMS members as on 31 May 2016 was due to non-compliance.

Source: Human Resource Development database

Notes

In the event of National or Provincial election occurring within the first three months of a financial year all members of the SMS must conclude and sign their performance agreements for that financial year within three months following the month in which the elections took place. For example if elections took place in April, the reporting date in the heading of the table above should change to 31 July 2016. The reporting date in the heading of this table should be aligned with that of Table 3.7.1

Table 86: (3.7.3) Disciplinary steps taken against SMS members for not having concluded Performance Agreements as on 31 May 2016

Disciplinary steps taken
Three SMS members signed after deadline date and disciplinary letters were issued for non-compliance.

Source: Human Resource Development database

[87] The Level 16 post is occupied by the MEC for Health – Performance Agreement managed by the Office of the Premier

Performance Rewards

To encourage good performance, the Department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, disability, salary bands and critical occupations.

Table 87: (3.8.1) Performance rewards by race, gender, and disability: 01/04/2016 – 31/03/2017

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee (R)
African, Female	1	44 110	0	8.8	8 798.25
African, Male	0	15 797	0	0	0
Asian, Female	0	4 372	0	0	0
Asian, Male	0	2 491	0	0	0
Coloured, Female	0	881	0	0	0
Coloured, Male	0	259	0	0	0
Total Blacks, Female	1	49 363	0	8.8	8 798.25
Total Blacks, Male	0	18 547	0	0	0
White, Female	0	1 012	0	0	0
White, Male	1	596	0.17	20	20 000.00
Employees with a disability	0	406	0	0	0
Total	**2**[88]	**69 924**	**0**	**28.8**	**14 399.13**

Source: Vulindlela Annual Report (10/05/2017)

Table 88: (3.8.2) Performance Rewards by salary band for personnel below SMS: 01/04/2016 – 31/03/2017

Salary bands	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee (R)
Lower Skilled (Levels 1-2)	0	4 702	0	0	0
Skilled (Levels 3-5)	0	32 404	0	0	0
Highly Skilled Production (Levels 6-8)	0	14 280	0	0	0
Highly Skilled Supervision (Levels 9-12)	1	12 640	0.01	8.8	8 798.25
Other	0	1 676	0	0	0
Contract (Levels 1-2)	0	1	0	0	0
Contract (Levels 3-5)	0	474	0	0	0
Contract (Levels 6-8)	0	758	0	0	0
Contract (Levels 9-12)	0	1 500	0	0	0

[88] Due to financial constraints performance bonuses are not paid in the Department. In terms of the information on performance rewards granted, the 2 employees indicated in the table were transferred into the Department and the Department had to pay the performance bonuses on behalf of the releasing Departments as they no longer had access to the employee salary records on Persal

Salary bands	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee (R)
Total	**1**[89]	**68 435**	**0**	**8.8**	**8 798.25**

Table 89: (3.8.3) Performance Rewards by critical occupations: 01/04/2016 – 31/03/2017

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee (R)
All Artisans in the Building Metal Machinery etc.	0	378	0	0	0
Ambulance and Related Workers	0	2 805	0	0	0
Dental Practitioners	0	151	0	0	0
Dieticians and Nutritionists	0	211	0	0	0
Emergency Services Related	0	50	0	0	0
Engineers and Related Professionals	0	37	0	0	0
Environmental Health	0	93	0	0	0
Medical Practitioners	0	3 533	0	0	0
Medical Research and Related Professionals	0	99	0	0	0
Medical Specialists	0	797	0	0	0
Occupational Therapy	0	213	0	0	0
Optometrists and Opticians	0	73	0	0	0
Oral Hygiene	0	36	0	0	0
Pharmacists	0	835	0	0	0
Physicists	0	5	0	0	0
Physiotherapy	0	355	0	0	0
Professional Nurses	0	17 007	0	0	0
Psychologists and Vocational Counsellors	0	94	0	0	0
Speech Therapy and Audiology	0	175	0	0	0
Total	**0**	**26 947**	**0**	**0**	**0**

Source: Vulindlela Annual Report (10/05/2017)

Notes for Table 3.8.3

Critical occupations are defined as occupations or sub-categories within an occupation:

[89] Due to financial constraints performance bonuses are not paid in the Department. In terms of the information on performance rewards granted, the 1 employee indicated in the table were transferred into the Department and the Department had to pay the performance bonuses on behalf of the releasing Departments as they no longer had access to the employee salary records on Persal

- In which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
- For which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
- Where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
- In respect of which a Department experiences a high degree of difficulty to recruit or retain the services of employees.

Table 90: (3.8.4) Performance related rewards (cash bonus), by salary band for SMS: 01/04/2016 – 31/03/2017

Salary band[90]	Beneficiary Profile			Total Cost (R'000)	Average cost per employee (R)	Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within band			
Band A	1	1 031	0.1	20	20 000.00	0
Band B	0	194	0	0	0	0
Band C	0	200	0	0	0	0
Band D	0	34	0	0	0	0
Total	**1**[91]	**1 459**	**0.07**	**20**	**20 000.00**	**0**

Source: Vulindlela Annual Report (10/05/2017)

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 91: (3.9.1) Foreign Workers by salary band: 01/04/2016 – 31/03/2017

Salary Band	1 April 2016		31 March 2017		Change	
	Number	% of total	Number	% of total	Number	% change of Total
Highly skilled production (Levels 6-8)	52	7.76	80	6.54	28	5.09
Highly skilled supervision (Levels 9-12)	339	51.05	598	48.86	259	46.25
Lower skilled (Levels 1-2)	2	0.3	4	0.33	2	0.36
Other	4	0.6	6	0.49	2	0.36
Senior management (Levels 13-16)[92]	256	38.55	514	41.99	258	46.07

[90] The actual number of SMS employees is 87. The number in the table includes OSD employees whose salary notches fall within the SMS band and Vulindlela categorises them accordingly. However, these employees are not covered by the SMS Handbook and are not SMS employees

[91] Note Footnote 28, Table 33

[92] Please note that the actual number of SMS employees is 87 employees however; the above figures include OSD employees whose salary notches fall within the SMS band and Vulindlela categorises them accordingly however; these employees are not covered by the SMS Handbook and are not SMS employees

Salary Band	1 April 2016		31 March 2017		Change	
	Number	% of total	Number	% of total	Number	% change of Total
Skilled (Levels 3-5)	12	1.73	22	1.8	11	1.88
Total	**664**	**100**	**1 224**	**100**	**560**	**100**

Source: Vulindlela Annual Report (10/05/2017)

Table 92: (3.9.2) Foreign Workers by major occupation: 01/04/2016 – 31/03/2017

Major Occupation	1 April 2016		31 March 2017		Change	
	Number	% of total	Number	% of total	Number	% change of Total
Administrative office workers	7	1.05	10	0.82	3	0.54
Craft and related trades workers	1	0.15	2	0.16	1	0.18
Elementary occupations	2	0.3	4	0.33	2	0.36
Professionals and managers	648	97.59	1 202	98.2	554	98.93
Social natural technical and medical sciences and support	6	0.9	6	0.49	0	0
Total	**664**	**100**	**1 224**	**100**	**560**	**100**

Source: Vulindlela Annual Report (10/05/2017)

Leave Utilisation

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 and disability leave. In both cases, the estimated cost of the leave is provided.

Table 93: (3.10.1) Sick leave: 1 January 2016 - 31 December 2016

Salary Band	Total days	% days with medical certification [93]	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
Contract (Levels 1-2)	94	62.77	30	0.05	3.13	48	59
Contract (Levels 13-16)	349	27.26	75	0.13	4.65	1 292	95
Contract (Levels 3-5)	1 063	46.19	312	0.53	3.41	589	491
Contract (Levels 6-8)	4 543	43.7	805	1.36	5.64	4 556	1 985
Contract (Levels 9-12)	4 607	39.79	1 029	1.74	4.48	8 740	1 833
Contract Other	3 799	45.33	969	1.64	3.92	797	1 722
Highly skilled production (Levels 6-8)	117 278	58.47	12 940	21.87	9.06	133 517	68 573

[93] Days with medical certification refers to days taken in excess of 2 days

Salary Band	Total days	% days with medical certification [93]	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
Highly skilled supervision (Levels 9-12)	94 955	55.76	10 686	18.06	8.89	197 202	52 950
Lower skilled (Levels 1-2)	35 261	62.26	3 964	6.7	8.9	16 966	21 954
Other	66	84.85	20	0.03	3.3	26	56
Senior management (Levels 13-16)[94]	5 322	45.23	792	1.34	6.72	21 138	2 407
Skilled (Levels 3-5)	255 576	59.41	27 535	46.55	9.28	174 580	151 833
Total	**522 910**	**58.13**	**59 157**	**100**	**8.84**	**559 452**	**303 958**

Table 94: (3.10.2) Disability leave (temporary and permanent): 1 January 2016 - 31 December 2016

Salary Band	Total days	% days with medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Contract (Levels 13-16)	57	100	1	0.1	57	223
Contract (Levels 6-8)	296	100	9	0.93	32.89	297
Contract (Levels 9-12)	324	100	12	1.24	27	652
Contract Other	19	100	1	0.1	19	6
Highly skilled production (Levels 6-8)	10 987	99.04	200	20.66	54.94	12 457
Highly skilled supervision (Levels 9-12)	9 095	92.85	191	19.73	47.62	17 204
Lower skilled (Levels 1-2)	3 707	91.66	80	8.26	46.34	1 674
Senior management (Levels 13-16)[95]	862	94.08	14	1.45	61.57	3 209
Skilled (Levels 3-5)	22 030	97.03	460	47.52	47.89	14 614
Total	**47 377**	**96.26**	**968**	**100**	**48.94**	**50 335**

Source: Vulindlela Annual Report (10/05/2017)

The table below 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.

[94] Note Footnote 31, Table 36
[95] Note Footnote 31, Table 36

Table 95: (3.10.3) Annual leave: 1 January 2016 - 31 December 2016

Salary bands	Total days taken	Number of employees using annual leave	Average per employee
Contract (Levels 1-2)	158	28	5.64
Contract (Levels 13-16)	2 339	150	15.59
Contract (Levels 3-5)	3 463	410	8.45
Contract (Levels 6-8)	16 077	947	16.98
Contract (Levels 9-12)	26 320	1 619	16.26
Contract Other	34 917	2 043	17.09
Highly skilled production (Levels 6-8)	346 699	15 277	22.69
Highly skilled supervision (Levels 9-12)	300 987	12 963	23.22
Lower skilled (Levels 1-2)	116 590	5 873	19.85
Other	258	54	4.78
Senior management (Levels 13-16)[96]	29 183	1 391	20.98
Skilled (Levels 3-5)	739 989	33 599	22.02
Total	**1 616 979**	**74 354**	**21.75**

Source: Vulindlela Annual Report (10/05/2017)

Table 96: (3.10.4) Capped leave: 1 January 2016 - 31 December 2016

Salary bands	Total days of capped leave taken	Number of employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 December 2015
Contract (Levels 13-16)	0	0	0	26.89
Highly skilled production (Levels 6-8)	1 237.82	249	4.97	51.03
Highly skilled supervision (Levels 9-12)	1 268.6	264	4.81	58.45
Lower skilled (Levels 1-2)	126	33	3.82	23.55
Senior management (Levels 13-16)[97]	1 32.5	27	4.91	38.9
Skilled (Levels 3-5)	1 024.18	225	4.55	45.78
Total	**3 789.10**	**798**	**4.75**	**49.42**

Source: Vulindlela Annual Report (10/05/2017)

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

[96] Note Footnote 31, Table 36
[97] Note Footnote 31, Table 36

Table 97: (3.10.5) Leave pay-outs: 01/04/2016 – 31/03/2017

Reason	Total Amount (R'000)	Number of Employees	Average payment per employee
Capped leave pay-outs on termination of service for current financial year	111 122	2 711	40 989
Current leave pay-out on termination of service for current financial year	18 730	1 040	18 010
Leave pay-out for current financial year due to non-utilisation of leave for the previous cycle	5	1	5 399
Total	**129 858**	**3 752**	**34 610**

Source: Vulindlela Annual Report (10/05/2017)

HIV, AIDS and Health Promotion Programmes

Table 98: (3.11.1) 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
Nurses	Empowerment Hepatitis B immunizations, HIV Counselling and Testing (HCT)
Doctors	Occupational Post Exposure Prophylaxis
General Assistants	Use of Personal Protective Clothing
All other employees	
Sexually active.	Baseline assessments.
Long distance relationship	Screening of High risk employees twice per year.
Married couples –not staying together–for some other reasons e.g. employment/on separation.	Health education.
Drugs/Alcohol abusers	Conducting wellness activities in institutions, for health promotion.
Vulnerable groups e.g. on divorce process/widow/widower/elderly.	Incidents/100 reporting & investigations.
Employees at risk of being raped e.g. night shift staff/staff in wards where prisoners are admitted.	Monitor implementation of COID Act regarding occupational diseases & injuries.
Single parents-staying alone.	Follow up on compensation of affected employees & provide feedback to employees.
Front /OPD/Casualty/Crisis Centre/CDC & Medical Maternity Ward, theatre employees.	Monitor implementation of OHS Act.
Tracer & injection teams /Family Health Teams/CCG's/School Health Teams.	Follow up on appointment & functional Institutional Safety Committees.
Staff diagnosed with TB.	Provision of EAP services and referrals accordingly.

Source: Employee Health and Wellness

Table 99: (3.11.2) Details of health promotion and HIV and AIDS Programmes

Question	Yes	No	Details
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		Mr DD Dumisa: Director : Employee Health and Wellness (EHW)
2. Does the department have a dedicated unit or have you designated specific staff members to promote 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.	Yes		• EHW unit composes of Occupational Health Nurses, Safety Officers and EAPs in health institutions. • Compensation budget for staff: R55 839 923
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of the programme.	Yes		• HIV &AIDS management (prevention, treatment, giving care and support). • HIV &AIDS workshops. • Healthy lifestyle programme. • Counselling services.
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	Yes		**EMPLOYEE HEALTH AND WELLNESS COMMITTEE** Designated Senior Manager: Mr DD Dumisa Members of the Committee: M Killeen; W van der Westhuizen; N Mgaga; ZM Ndwandwe; B Thusi; L Hutchinson; NP Fihlela; N Hlongwa; TG Ntshingila; DR Mhlanga; PS Mabaso (Gamede); N Mdluli; L Mdubeki; Z Dladla; CH Hadebe; C Khumalo; and N Bhengu. The above members represent all 11 Districts in the Department and include Head Office Programme Managers.
5. Has the department reviewed the employment policies and practices of your department 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		• Recruitment and Selection Policy.
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	Yes		• Human rights workshops • Workshops on HIV and AIDS discrimination and stigma • Confidentiality emphasis and GEMS initiatives
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	Yes		• 11 860 staff pre-test counselled. • 4 023 staff tested. • 283 staff tested positive.

Question	Yes	No	Details
8. Has the department developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so, list these measures/indicators.	Yes		• Client with Fluid Splashes and those with Needle Stick Injuries / offered ART Treatment • Eligible staff initiated on ART • MDR TB Defaulter - Staff • Minor incidents • New HIV positive staff with confirmed TB • Staff diagnosed with MDR TB • Staff diagnosed with TB - new • Staff diagnosed with XDR TB • Staff initiated on TB treatment • Staff pre-test counselled • TB diagnosed staff tested for HIV • TB staff with a DOTS supporter • TB suspects - Staff • TB suspects positive - Staff • TB/HIV co-infected staff initiated on ART • Total HIV Positive Staff seen in the Occupational Health Clinic • Total Needle Stick Injuries - New • Total number of ART Treatment Staff non - adherent to ART Treatment • Total number of Cases other than Needle Stick Injuries • Total number of cases Sero-Converted • Total number of clients given ART Prophylaxis for Needle Stick Injuries • Total registered eligible Staff receiving ART Treatment • Total staff on ART treatment • Total staff who die before receiving treatment Total staff who died while on ART Treatment

Source: Employee Health and Wellness database

Labour Relations

The following collective agreements were entered into with Trade Unions within the Department.

Table 100: (3.12.1) Collective agreements: 01/04/2016 – 31/03/2017

Total Number of Collective Agreements	0

Source: Labour Relations database

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

Table 101: (3.12.2) Misconduct and disciplinary hearings finalised: 01/04/2016 – 31/03/2017

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	3	2.19
Verbal warning	3	2.19
Written warning	33	24.09
Final written warning	33	24.09
Suspended without pay	43	31.39
Fine	1	0.73
Demotion	0	0

Outcomes of disciplinary hearings	Number	% of total
Dismissal	14	10.22
Not guilty	6	4.38
Case withdrawn	1	0.73
Total	**137**	**100%**

Source: Labour Relations database (reports submitted by institutions)

Table 102: (3.12.3) Types of misconduct addressed at disciplinary hearings: 01/04/2016 – 31/03/2017

Type of misconduct	Number	% of total
Fraud and Corruption	45	14.33
Insubordination	10	3.18
Absenteeism	67	21.33
Sexual Harassment	2	0.63
Under the influence of Alcohol	10	3.18
Other (RWOPS, Abuse of state property, Late coming, assault. Social grants, negligence, etc.)	180	57.32
Total	**314**	**100**

Source: Labour Relations database (reports submitted by institutions)

Table 103: (3.12.4) Grievances logged: 01/04/2016 – 31/03/2017

Grievances	Number	% of Total
Number of grievances resolved	139	36.96
Number of grievances not resolved	237	63.03
Total number of grievances lodged	**376**	**100%**

Source: Labour Relations database (reports submitted by institutions)

Table 104: (3.12.5) Disputes logged with Councils: 01/04/2016 – 31/03/2017

Disputes	Number	% of Total
Number of disputes upheld	35	15.41
Number of disputes dismissed	16	7.04
Outstanding/ Pending	176	77.53
Total Number of disputes	**227**	**100%**

Source: Labour Relations database and Notice forwarded by Public Health and Social Development Sectoral Bargaining Council

Table 105: (3.12.6) Strike actions: 01/04/2016 – 31/03/2017

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

Source: Labour Relations database

Table 106: (3.12.7) Precautionary suspensions: 01/04/2016 – 31/03/2017

Number of people suspended	
Number of people suspended	20
Number of people whose suspension exceeded 30 days	17
Average number of days suspended	8.3
Cost of suspensions (R'000)	R519 Actual (R519 874)

Source: Labour Relations database (reports submitted by institutions)

Skills Development

This section highlights the efforts of the Department with regard to skills development.

Table 107: (3.13.1) Training needs identified: 01/04/2016 – 31/03/2017

Occupational category	Gender	Number of employees as at 1 April 2016	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	991	0	594	9	603
	Male	910	0	408	4	412
Professionals	Female	19 081	0	6 475	61	6 536
	Male	4 614	0	3 666	21	3 687
Technicians and associate professionals	Female	21 265	0	3 160	59	3 219
	Male	6 692	0	2 836	25	2 861
Clerks	Female	4 838	0	2 276	90	2 366
	Male	2 915	0	1 740	68	1 808
Service and sales workers	Female	4 951	0	1 750	27	1 777
	Male	2 923	0	1 995	23	2 018
Skilled agriculture and fishery workers, Craft and related trades workers	Female	34	0	21	0	21
	Male	617	0	96	0	96
Plant and machine operators	Female	388	0	85	2	87

Occupational category	Gender	Number of employees as at 1 April 2016	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
and assemblers	Male	787	0	240	9	249
Elementary occupations	Female	1 706	0	388	4	392
	Male	1 139	0	325	11	336
Sub Total	**Female**	**53 254**	**0**	**14 726**	**252**	**14 978**
	Male	**20 597**	**0**	**11 306**	**161**	**11 467**
Total		**73 851**	**0**	**26 032**	**413**	**26 445**

Source: Human Resource Development database and Work Skills Plan 2016/17

Table 108: (3.13.2) Training provided: 01/04/2016 – 31/03/2017

Occupational Category	Gender	Number of employees as at 1 April 2016	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	991	0	392	9	401
	Male	910	0	226	7	233
Professionals	Female	19 081	0	5 085	991	7 076
	Male	4 614	0	1 368	977	2 345
Technicians and associate professionals	Female	21 265	0	1 149	162	1 311
	Male	6 692	0	401	167	568
Clerks	Female	4 838	0	1 173	74	1 247
	Male	2 915	0	638	40	678
Service and sales workers	Female	4 951	0	494	19	513
	Male	2 923	0	159	16	175
Skilled agriculture and fishery workers, Craft and related trades workers	Female	34	0	46	0	46
	Male	617	0	57	3	60
Plant and machine operators and assemblers	Female	388	0	35	0	35
	Male	787	0	30	2	32
Elementary occupations	Female	1 706	0	87	1	88
	Male	1 139	0	82	2	84
Sub Total	**Female**	**53 254**	**0**	**8 461**	**2 256**	**10 717**
	Male	**20 597**	**0**	**2 961**	**1 214**	**4 175**
Total		**73 851**	**0**	**11 422**	**3 470**	**14 892**

Source: Human Resource Development database and Annual Training Register 2016/17

Injury on Duty

Table 3.14.1 provide basic information on injury on duty.

Table 109: (3.14.1) Injury on duty: 01/04/2016 – 31/03/2017

Nature of injury on duty	Number	% of total
Required basic medical attention only	4 484	90.66%
Temporary total disablement	454	9.18%
Permanent disablement	4	0.08%
Fatal	4	0.08%
Total	**4 946**	**100.00%**

Source: Conditions of Service database

Utilisation of Consultants

The following tables relate information on the utilisation of Consultants in the Department.

Note that although consultants use human resources for the discharge of their functions, they are not regarded as employees. The Public Service Act, 1994, as amended, defines an employee in terms of Section 8: Composition of Public Service:
(1) The public service shall consist of persons who are employed-
(a) In posts on the establishment of departments; and
(b) Additional to the establishment of departments.

Neither 1 (a) nor (b) against which consultants are appointed hence they are not regarded as employees. They sign contracts to render services with the Department via SCM/Legal Services and are paid via Finance. The information to populate the information related to consultants was provided by the Supply Chain Management (SCM) Chief Directorate on 11/05/2016 and populated by HRMS onto the relevant tables on behalf of SCM.

In terms of the Public Service Regulations "Consultant' means a natural or juristic person or a partnership who or which provides in terms of a specific contract on an ad hoc basis any of the following professional services to a department against remuneration received from any source:

- The rendering of expert advice;
- The drafting of proposals for the execution of specific tasks; and
- The execution of a specific task which is of a technical or intellectual nature, but excludes an employee of a department.

Table 110: (3.15.1a) Report on Consultant appointments using appropriated funds: 01/04/2016 – 31/03/2017

Project Title	Total number of Consultants that worked on project	Duration – Work days	Contract value in Rand
Nil Consultants			

Table 111: (3.15.1b) Report on Consultant appointments using appropriated funds: 01/04/2016 – 31/03/2017

Total number of projects	Total individual Consultants	Total duration – Work days	Total contract value in Rand
Nil Consultants			
TOTAL			

Table 112 - 115: (3.15.2 – 3.15.4) Analysis of Consultant appointments using appropriated and Donor Funds: 01/04/2016 – 31/03/2017

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that worked on the project
Nil Consultants			

Severance Packages

Table 113: (3.16.1) Granting of employee initiated severance packages: 01/04/2016 – 31/03/2017

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by the department
Lower skilled (levels 1-2)	0	0	0	0
Skilled (levels 3-5)	0	0	0	0
Highly skilled production (levels 6-8)	0	0	0	0
Highly skilled supervision (levels 9-12)	0	0	0	0
Senior management (levels 13-16)	0	0	0	0
Total	**0**	**0**	**0**	**0**

Source: Conditions of Service database

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AUDITOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2017

DEPARTMENT OF HEALTH

Report of the auditor-general to the KwaZulu-Natal Provincial Legislature on vote no. 7: Department of Health

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Department of Health set out on pages 256 to 348, which comprise the appropriation statement, the statement of financial position as at 31 March 2017, the statement of financial performance, statement of changes in net assets, and cash flow statement for the year then ended as well as the notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, except for the possible effects of the matters described in the basis for qualified opinion section of this report, the financial statements present fairly, in all material respects, the financial position of the Department of Health as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2016 (Act No. 3 of 2016) (DoRA).

Basis for qualified opinion

Contingent liabilities

3. The department did not account for all claims meeting the definition of a contingent liability in accordance with MCS chapter 16.6: contingent liabilities because the department did not have adequate internal control processes and procedures for the review, allocation and classification of these claims. I was unable to confirm this liability by alternative means. Consequently, I was unable to determine whether any adjustment to contingent liability of R9,36 billion included in note 20 to the financial statements was necessary.

Irregular expenditure

4. The department did not include particulars of all irregular expenditure in the notes to the financial statements, as required by section 40(3)(i) of the PFMA, because the department did not have adequate systems of internal control for the recording of all transactions and preventing awards that did not comply with supply chain management prescripts. Consequently, I was unable to determine the full extent of the irregular expenditure stated at R7,24 billion (2016: R4,33 billion) in note 26 to the financial statements.

Movable tangible capital assets

5. I was unable to obtain sufficient appropriate audit evidence that management had properly valued and fully accounted for movable tangible capital assets and minor assets disclosed in note 33 to the financial statements. This was because the department did not effectively implement and maintain adequate systems on asset management. I was unable to confirm these assets by alternative means. Consequently, I was unable to determine whether any adjustment relating to movable tangible assets stated at R3,76 billion (2016: R2,70 billion) and minor assets stated at R732 million (2016: R772 million) in note 33 to the financial statements was necessary.

Compensation of employees – commuted overtime allowances

6. I was unable to obtain sufficient appropriate audit evidence for commuted overtime allowances of R946 million (2016: R875 million) disclosed in note 4 to the financial statements. The commuted overtime allowance payments were not supported by sufficient and appropriate evidence. I was unable to confirm commuted overtime allowances by alternative means. Consequently, I was unable to determine whether any adjustment to commuted overtime allowances included in note 5 to the financial statements was necessary.

7. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.

8. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' *Code of ethics* for *professional accountants* (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

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

Emphasis of matter

10. I draw attention to the matter below.

Accruals and payables not recognised

11. As disclosed in note 22 to the financial statements, payables, which exceeded the payment term of 30 days as required in treasury regulation 8.2.3, amounted to R212,20 million. This amount, in turn, exceeded the voted funds to be surrendered of R31,60 million as per the statement of financial performance by R180,60 million. The amount of R180,60 million would therefore have constituted unauthorised expenditure had the amounts due been paid in a timely manner.

Other matter

12. I draw attention to the matter below.

Unaudited supplementary schedules

13. The supplementary information set out on pages 349 to 381 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Responsibilities of accounting officer for the financial statements

14. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with MCS and the requirements of the PFMA and the DoRA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

15. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern using the going concern basis of accounting unless the intention is to liquidate or cease operations, or there is no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

16. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

17. A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.

Report on the audit of the annual performance report

Introduction and scope

18. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.

19. My procedures address the reported performance information, which must be based on the department's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

20. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2017:

Programmes	Pages in the annual performance report
Programme 2 – district health services	86 – 126
Programme 4 – provincial hospitals (regional and specialised)	141 – 156

21. I performed procedures to determine whether the reported performance information was properly presented and whether performance was–consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

22. The material findings in respect of the usefulness and reliability of the selected programmes are as follows:

Programme 2 – district health services

Objective – reduce incidence of non-communicable diseases 2.9.6

23. The strategic objective was reported as an increase in the cataract surgery rate to more than 1 650 per one million uninsured people by March 2020 while the planned strategic objective was approved as an increase in the cataract surgery rate to more than 16 500

per one million uninsured people by March 2020 in the annual performance plan. This is not in line with the requirements of treasury regulation 5.2.4.

Various indicators

24. I was unable to obtain sufficient appropriate audit evidence to support the reported reason variances, as required by the *Annual report guide for national and provincial departments.* This was due to limitations placed on the scope of my work as a result of patient carrier card system. I was unable to confirm the reason for variances by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reason variances for the following 14 indicators:

    ■ PHC utilisation rate (annualised) ■ Antenatal 1st visit before 20 weeks rate ■ Mother postnatal visit within 6 days rate ■ Infant 1st PCR test positive around 10 weeks rate ■ Immunisation coverage under 1 year (annualised) ■ Measles 2nd dose coverage (annualised) ■ DTaP-IPV/Hib 3 - Measles 1st dose drop-out rate ■ Couple year protection rate (annualised) ■ Cervical cancer screening coverage (annualised) ■ Infant exclusively breastfed at DTaP-IPV-Hib-HBV 3rd dose rate ■ Vitamin A 12-59 month's coverage (annualised) ■ Clients screened for hypertension ■ Clients screened for diabetes ■ Clients screened for mental health.

Various indicators

25. The department did not have adequate performance management system to maintain records to enable reliable reporting on achievement of the following targets. Sufficient appropriate audit evidence could not be provided in some instances while in other cases the evidence provided did not agree to the recorded achievements. This resulted in a misstatement of the target achievements reported. I was also unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any further adjustments were required to the reported achievements for the following 42 indicators:

    ■ Client satisfaction rate (PHC) ■ Client satisfaction rate ■ Complaints resolution rate ■ Complaint resolution within 25 working days rate ■ PHC utilisation rate (annualised) ■ Antenatal 1st visit before 20 weeks rate ■ Mother postnatal visit within 6 days rate ■ Infant 1st PCR test positive around 10 weeks rate ■ Immunisation coverage under 1 year (annualised) ■ Measles 2nd dose coverage (annualised) ■ DTaP-IPV/Hib 3 - Measles 1st dose drop-out rate ■ Couple year protection rate (annualised) ■ Cervical cancer screening coverage (annualised) ■ Infant exclusively breastfed at DTaP-IPV-Hib-HBV 3rd dose rate ■ Vitamin A 12-59 months coverage (annualised) ■ Clients screened for hypertension ■ Clients screened for diabetes ■ Clients screened for mental health ■ Child under 5 years diarrhoea case fatality rate ■ Child under 5 years pneumonia case fatality rate ■ Child under 5 years severe acute malnutrition case fatality rate ■ School Grade 1 screening coverage (Annualised) ■ Human papilloma virus (HPV) 1st dose coverage ■ HPV 2nd dose coverage ■ Maternal mortality in facility ratio (annualised) ■ Neonatal death in facility rate ■ Outreach Household registration visit coverage (annualised) ■ Average length of stay – total ■ Inpatient bed utilisation rate – total■Adults remaining on ART – total ■ Total children (under 15 years) remaining on ART – total ■ TB/HIV co-infected clients on ART rate ■ Client tested for HIV (including ANC) ■ Antenatal client initiated on ART rate ■ TB symptom 5 years and older screened

in facility rate ■ Male condom distribution coverage (annualised) ■ Medical male circumcision performed – Total ■ TB client treatment success rate ■ TB client lost to follow up rate ■ TB client death rate ■ TB MDR confirmed treatment initiation rate ■ TB MDR treatment success rate.

Programme 4 – provincial hospitals (regional and specialised)

Various indicators

26. The department did not have an adequate performance management system to maintain records to enable reliable reporting on achievement of the following targets. Sufficient appropriate audit evidence could not be provided in some instances while in other cases the evidence provided did not agree to the recorded achievements. This resulted in a misstatement of the target achievements reported. I was also unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any further adjustments were required to the reported achievements for the following five indicators:

    ■ Client satisfaction rate ■ Average length of stay ■ Inpatient bed utilisation rate ■ Complaints resolution rate ■ Complaints resolution within 25 working days rate.

Other matters

27. I draw attention to the matters below.

Achievement of planned targets

28. The annual performance report on pages 86 to 126; 141 to 156 includes information on the achievement of planned targets for the year and explanations provided for the under/overachievement of a number of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraph 23 to 26 of this report.

Adjustment of material misstatements

29. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of the district health services and provincial hospitals (regional and specialised) programmes. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information.

Report on audit of compliance with legislation

Introduction and scope

30. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the department with specific

matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

31. The material findings in respect of the compliance criteria for the applicable subject matters are as follows:

Annual financial statements

32. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records, as required by section 40(1)(a) of the PFMA. Material misstatements identified by the auditors in the submitted financial statements were not adequately corrected, which resulted in the financial statements receiving a qualified audit opinion.

Procurement and contract management

33. Sufficient appropriate audit evidence could not be obtained that all contracts were awarded in accordance with the legislative requirements as an effective filing and record keeping system was not in place.

34. Invitations for competitive bidding were not always advertised for a required minimum period, as required by treasury regulations 16A6.3(c).

35. Contracts were awarded to bidders based on evaluation/adjudication criteria that were not stipulated or differed from those stipulated in the original invitation for bidding and quotations, in contravention of treasury regulations 16A6.3(a) and the Preferential Procurement Regulations, 2011.

36. The preference point system was not applied in all procurement of goods and services above R30 000, as required by section 2(a) of the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) (PPPFA) and treasury regulation 16A6.3(b).

37. Contracts were awarded to and quotations were accepted from bidders based on preference points that were not allocated or calculated in accordance with the requirements of the PPPFA and its regulations.

38. Contracts were awarded to and quotations were accepted from bidders based on functionality criteria that were not stipulated or differed from those stipulated in the original invitation for bidding and quotations, in contravention of preferential procurement regulation 4.

39. Commodities designated for local content and production were procured from suppliers who did not meet the prescribed minimum threshold for local production and content, as required by preferential procurement regulation 9(5).

40. Persons in service of the department whose close family members, partners or associates had a private or business interest in contracts awarded by the department failed to disclose such interest, as required by treasury regulation 16A8.4.

Conditional grants

41. The HIV/Aids conditional grant was not spent in accordance with the applicable grant framework, in contravention of section 17(1) of DoRA.

Expenditure management

42. Effective steps were not taken to prevent irregular expenditure, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The full extent of the irregular expenditure could not be quantified as indicated in the basis for qualification paragraph.

Other information

43. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report which includes the accounting officer's report and the audit committee's report. The other information does not include the financial statements, the auditor's report thereon and those selected programmes presented in the annual performance report that have been specifically reported on in the auditor's report.

44. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

45. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

46. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.

Leadership

47. The department did not perform effective oversight and monitoring to ensure that delegated officials consistently applied policies and procedures and implemented and monitored action plans and related internal controls to achieve reliable and credible financial and performance reporting as well as compliance with applicable legislation.

Financial management

48. Management failed to implement a proper record keeping system to ensure that complete, relevant and accurate information is accessible and available to support performance reporting.

49. Material misstatements in financial and performance reporting is mainly attributable to inadequate time being allocated to the analysis and diligent review of financial records and other reports.

50. Moreover, management did not respond with the required urgency to our consistent messages about addressing internal control deficiencies in the management of assets, and paid overtime to ensure that these are supported by accurate and complete financial information.

Other reports

51. I draw attention to the following engagements conducted by independent consulting firms that had, or could have, an impact on the matters reported in the department's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

52. Independent consulting firms, at the request of the department, are performing investigations covering the period 1 April 2016 to 31 March 2017. These investigations are based on allegations of incorrect awarding of certain contracts, accusations of theft, employees performing unauthorised remunerative work outside the public service and the misappropriation of inventory. The investigations were still in progress at the date of this report.

53. The provincial treasury internal audit unit, at the request of the department, conducted nine investigations covering the period 1 April 2016 to 31 March 2017. These investigations related to irregularities around deviation from work and variation orders in respect of projects managed by the department and alleged fraud and corruption in the appointment and termination of service providers. Six of the investigations had been completed and three were still in progress.

Pietermaritzburg

31 July 2017


AUDITOR-GENERAL
SOUTH AFRICA
Auditing to build public confidence

Annexure – Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected programmes and on the department's compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in the auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- obtain an understanding of internal control relevant to the audit 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 department's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.

- conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the department's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor's report. However, future events or conditions may cause a department to cease operating as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and where applicable, related safeguards.

APPROPRIATION STATEMENT FOR THE YEAR ENDING 31 MARCH 2017

APPROPRIATION PER PROGRAMME									
Voted Funds and Direct Charges	2016/17							2015/16	
	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
PROGRAMME									
Administration	839 035	-	6 639	845 674	845 674	-	100.0%	772 256	846 622
District Health Services	17 598 765	-	110 321	17 709 086	17 723 971	-14 885	100.1%	15 998 251	16 007 896
Emergency Medical Services	1 199 775	-	9 488	1 209 263	1 209 263	-	100.0%	1 174 378	1 174 378
Provincial Hospital Services	9 800 434	-	18 369	9 818 803	9 822 915	-4 112	100.0%	9 213 546	9 214 364
Central Hospital Services	4 540 839	-	-6 682	4 534 157	4 534 157	-	100.0%	4 088 601	4 124 929
Health Sciences and Training	1 215 150	-	-14 076	1 201 074	1 201 074	-	100.0%	1 058 822	1 058 822
Health Care Support Services	326 487	-	-26 119	300 368	268 768	31 600	89.5%	146 520	166 095
Health facilities Management	1 518 515	-	-97 940	1 420 575	1 420 575	-	100.0%	1 517 618	1 517 618
Programme Sub-Total	**37 039 000**	**-**	**-**	**37 039 000**	**37 026 397**	**12 603**	**100.0%**	**33 969 992**	**34 110 724**
TOTAL	**37 039 000**	**-**	**-**	**37 039 000**	**37 026 397**	**12 603**	**100.0%**	**33 969 992**	**34 110 724**
Reconciliation with Statement of Financial Performance									
ADD: Departmental receipts				298 104				243 594	
Actual Amount as per Statement of Financial Performance (Total)				**37 337 104**				**34 213 586**	
Actual Amount as per Statement of Financial Performance Expenditure					**37 026 397**				**34 110 724**

Appropriation per Economic Classification	2016/17							2015/16	
	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	**34 777 645**	**-**	**-42 914**	**34 734 731**	**34 739 862**	**-5 131**	**100.0%**	**31 631 280**	**31 899 939**
Compensation of employees	23 486 647	-	-131 751	23 354 896	23 354 896	-	100.0%	21 625 944	21 793 160
Salaries and wages	20 556 261	-	-138 277	20 417 984	20 415 442	2 542	100.0%	18 943 465	19 014 828
Social contributions	2 930 386	-	6 526	2 936 912	2 939 454	-2 542	100.1%	2 682 479	2 778 332
Goods and services	11 289 868	-	87 845	11 377 713	11 382 844	-5 131	100.0%	10 005 170	10 105 233
Administrative fees	2 548	-	133	2 681	3 359	-678	125.3%	3 053	3 729
Advertising	13 665	-	-	13 665	23 114	-9 449	169.1%	32 480	27 239
Minor assets	60 339	-	-549	59 790	41 398	18 392	69.2%	50 281	39 593
Audit costs: External	20 000	-	-3 724	16 276	16 276	-	100.0%	13 607	88 639
Bursaries: Employees	2 229	-	-215	2 014	1 891	123	93.9%	2 498	2 498
Catering: Departmental activities	5 568	-	-75	5 493	5 029	464	91.6%	2 388	3 929
Communication (G&S)	108 053	-	-	108 053	116 893	-8 840	108.2%	99 099	98 598
Computer services	171 266	-	-7 634	163 632	163 632	-	100.0%	179 415	150 913
Consultants: Business and advisory services	67 440	-	-9 851	57 589	58 581	-992	101.7%	44 905	76 761
Infrastructure and planning services	-	-	-	-	61	-61	-	-	-
Laboratory services	1 645 129	-	-14 841	1 630 288	1 618 865	11 423	99.3%	1 281 035	1 356 455
Legal services	22 704	-	-	22 704	34 843	-12 139	153.5%	17 629	17 805
Contractors	202 456	-	-	202 456	212 584	-10 128	105.0%	142 454	144 987
Agency and support / outsourced services	1 179 819	-	-3 698	1 176 121	1 036 942	139 179	88.2%	1 110 800	1 106 045
Entertainment	8	-	1	9	8	1	88.9%	6	2
Fleet services (including government motor transport)	310 775	-	-8 953	301 822	301 898	-76	100.0%	291 422	290 149
Inventory: Clothing material and accessories	16 411	-	-823	15 588	14 772	816	94.8%	21 464	21 402

Appropriation per Economic Classification	2016/17							2015/16	
	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
Inventory: Farming supplies	-	-	-	-	10	-10	-	3	12
Inventory: Food and food supplies	129 265	-	-	129 265	121 049	8 216	93.6%	118 802	118 788
Inventory: Fuel, oil and gas	147 299	-	-640	146 659	140 417	6 242	95.7%	118 166	117 920
Inventory: Learner and teacher support material	1 027	-	-802	225	225	-	100.0%	182	182
Inventory: Materials and supplies	17 745	-	-3	17 742	18 078	-336	101.9%	13 194	19 167
Inventory: Medical supplies	1 513 499	-	984	1 514 483	1 541 848	-27 365	101.8%	1 504 547	1 479 150
Inventory: Medicine	3 190 853	-	154 952	3 345 805	3 554 428	-208 623	106.2%	2 936 176	2 895 380
Inventory: Other supplies	1 307	-	-	1 307	1 629	-322	124.6%	1 918	1 963
Consumable supplies	434 102	-	-10 206	423 896	404 448	19 448	95.4%	264 116	287 530
Consumable: Stationery, printing and office supplies	84 886	-	-	84 886	88 858	-3 972	104.7%	100 878	94 591
Operating leases	161 044	-	-203	160 841	139 376	21 465	86.7%	153 901	153 493
Property payments	1 575 290	-	-891	1 574 399	1 518 449	55 950	96.4%	1 287 842	1 293 152
Transport provided: Departmental activity	80 310	-	-	80 310	79 853	457	99.4%	81 119	81 119
Travel and subsistence	77 037	-	-58	76 979	83 199	-6 220	108.1%	84 978	79 975
Training and development	20 769	-	-1 573	19 196	16 792	2 404	87.5%	12 423	13 253
Operating payments	22 095	-	-	22 095	22 530	-435	102.0%	28 201	36 639
Venues and facilities	4 926	-	-3 486	1 440	1 440	-	100.0%	6 182	4 169
Rental and hiring	4	-	-	4	69	-65	1725.0%	6	6
Interest and rent on land	1 130	-	992	2 122	2 122	-	100.0%	166	1 546
Interest (Incl. interest on unitary payments (PPP))	1 130	-	992	2 122	2 122	-	100.0%	166	1 546
Transfers and subsidies	**845 421**	**-**	**42 914**	**888 335**	**1 035 657**	**-147 322**	**116.6%**	**863 119**	**843 093**
Provinces and municipalities	227 545	-	-754	226 791	159 755	67 036	70.4%	211 540	133 330
Provinces	5 759	-	-754	5 005	5 005	-	100.0%	6 290	3 730

Appropriation per Economic Classification	2016/17							2015/16	
	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
Provincial Revenue Funds	300	-	-300	-	-	-	-	90	28
Provincial agencies and funds	5 459	-	-454	5 005	5 005	-	100.0%	6 200	3 702
Municipalities	221 786	-	-	221 786	154 750	67 036	69.8%	205 250	129 600
Municipal bank accounts	221 786	-	-	221 786	154 750	67 036	69.8%	205 250	129 600
Departmental agencies and accounts	20 040	-	91	20 131	20 131	-	100.0%	19 046	19 009
Departmental agencies (non-business entities)	20 040	-	91	20 131	20 131	-	100.0%	19 046	19 009
Public corporations and private enterprises	-	-	-	-	-	-	-	-	10
Private enterprises	-	-	-	-	-	-	-	-	10
Other transfers to private enterprises	-	-	-	-	-	-	-	-	10
Non-profit institutions	203 313	-	-	203 313	203 929	-616	100.3%	217 039	213 402
Households	394 523	-	43 577	438 100	651 842	-213 742	148.8%	415 494	477 342
Social benefits	103 577	-	5 026	108 603	108 603	-	100.0%	93 460	124 175
Other transfers to households	290 946	-	38 551	329 497	543 239	-213 742	164.9%	322 034	353 167
Payments for capital assets	**1 308 327**	**-**	**-**	**1 308 327**	**1 106 314**	**202 013**	**84.6%**	**1 367 977**	**1 257 629**
Buildings and other fixed structures	900 496	-	2 029	902 525	910 917	-8 392	100.9%	1 057 766	1 052 053
Buildings	900 496	-	29	900 525	908 917	-8 392	100.9%	1 052 938	1 047 225
Other fixed structures	-	-	2 000	2 000	2 000	-	100.0%	4 828	4 828
Machinery and equipment	407 831	-	-2 029	405 802	195 397	210 405	48.2%	310 211	205 576
Transport equipment	120 046	-	-3 515	116 531	50 411	66 120	43.3%	99 750	77 809
Other machinery and equipment	287 785	-	1 486	289 271	144 986	144 285	50.1%	210 461	127 767
Payment for financial assets	**107 607**	**-**	**-**	**107 607**	**144 564**	**-36 957**	**134.3%**	**107 616**	**110 063**
Total	**37 039 000**	**-**	**-**	**37 039 000**	**37 026 397**	**12 603**	**100.0%**	**33 969 992**	**34 110 724**

PROGRAMME 1:ADMINISTRATION

	2016/17							2015/16	
	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
Office of the MEC	19 634	-	-644	18 990	18 990	-	100.0%	18 189	18 455
Management	819 401	-	7 283	826 684	826 684	-	100.0%	754 067	828 167
Total	**839 035**	**-**	**6 639**	**845 674**	**845 674**	**-**	**100.0%**	**772 256**	**846 622**

Economic Classification	2016/17							2015/16	
	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	**717 639**	**-**	**-35 443**	**682 196**	**683 440**	**-1 244**	**100.2%**	**647 148**	**722 304**
Compensation of employees	371 523	-	-5 720	365 803	365 803	-	100.0%	326 673	326 812
Salaries and wages	321 728	-	-4 083	317 645	317 645	-	100.0%	285 945	284 612
Social contributions	49 795	-	-1 637	48 158	48 158	-	100.0%	40 728	42 200
Goods and services	346 016	-	-30 443	315 573	316 817	-1 244	100.4%	320 475	395 388
Administrative fees	840	-	133	973	1 166	-193	119.8%	474	600
Advertising	2 000	-	-	2 000	2 848	-848	142.4%	2 308	2 308
Minor assets	3 000	-	-343	2 657	2 657	-	100.0%	441	-1 532
Audit costs: External	20 000	-	-3 724	16 276	16 276	-	100.0%	13 607	88 639
Bursaries: Employees	-	-	-	-	37	-37	-	60	60
Catering: Departmental activities	3 203	-	-75	3 128	3 145	-17	100.5%	620	578

Economic Classification	2016/17							2015/16	
	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
Communication (G&S)	11 452	-	-	11 452	11 462	-10	100.1%	11 011	10 963
Computer services	166 000	-	-7 634	158 366	158 740	-374	100.2%	175 808	147 306
Consultants: Business and advisory services	64 760	-	-9 851	54 909	55 300	-391	100.7%	39 025	69 494
Laboratory services	-	-	-	-	228	-228	-	47	47
Legal services	6 000	-	-4 526	1 474	1 474	-	100.0%	1 615	1 614
Contractors	700	-	-	700	77	623	11.0%	252	710
Agency and support / outsourced services	2 000	-	-510	1 490	1 490	-	100.0%	6 436	6 436
Entertainment	8	-	1	9	8	1	88.9%	6	2
Fleet services (including government motor transport)	6 376	-	-	6 376	6 058	318	95.0%	5 898	5 757
Inventory: Clothing material and accessories	96	-	-228	-32	-132	-	100.0%	-258	-258
Inventory: Food and food supplies	10	-	-	10	15	-5	150.0%	84	55
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-1 836	-1 836
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	12	12
Inventory: Materials and supplies	29	-	-	29	52	-23	179.3%	8	681
Inventory: Medical supplies	1 000	-	-	1 000	751	249	75.1%	722	722
Inventory: Medicine	-	-	-	-	183	-183	-	-7	-7
Consumable supplies	206	-	-	206	-101	307	(49.0%)	-2 279	-3 511
Consumable: Stationery, printing and office supplies	5 760	-	-	5 760	4 953	807	86.0%	7 954	7 912
Operating leases	5 306	-	-200	5 106	5 113	-7	100.1%	5 244	5 095
Property payments	24 070	-	-	24 070	25 018	-948	103.9%	26 787	26 669
Travel and subsistence	17 900	-	-	17 900	18 804	-904	105.1%	19 118	19 481
Training and development	-	-	-	-	-	-	-	68	68
Operating payments	400	-	-	400	188	212	47.0%	4 098	4 092

Economic Classification	2016/17							2015/16	
	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
Venues and facilities	4 900	-	-3 486	1 414	971	443	68.7%	3 151	3 230
Rental and hiring	-	-	-	-	36	-36	-	1	1
Interest and rent on land	100	-	720	820	820	-	100.0%	-	104
Interest (Incl. interest on unitary payments (PPP))	100	-	720	820	820	-	100.0%	-	104
Transfers and subsidies	**6 419**	**-**	**-206**	**6 213**	**17 443**	**-11 230**	**280.8%**	**6 651**	**5 689**
Provinces and municipalities	3 359	-	-456	2 903	2 903	-	100.0%	3 100	2 525
Provinces	3 359	-	-456	2 903	2 903	-	100.0%	3 100	2 525
Provincial agencies and funds	3 359	-	-456	2 903	2 903	-	100.0%	3 100	2 525
Departmental agencies and accounts	-	-	-	-	-	-	-	1	-
Departmental agencies (non-business entities)	-	-	-	-	-	-	-	1	-
Households	3 060	-	250	3 310	14 540	-11 230	439.3%	3 550	3 164
Social benefits	2 487	-	250	2 737	2 737	-	100.0%	3 000	2 464
Other transfers to households	573	-	-	573	11 803	-11 230	2059.9%	550	700
Payments for capital assets	**7 370**	**-**	**42 288**	**49 658**	**257**	**49 401**	**0.5%**	**10 850**	**11 021**
Machinery and equipment	7 370	-	42 288	49 658	257	49 401	0.5%	10 850	11 021
Transport equipment	3 170	-	-18	3 152	-	3 152	-	1 800	3 408
Other machinery and equipment	4 200	-	42 306	46 506	257	46 249	0.6%	9 050	7 613
Payment for financial assets	**107 607**	**-**	**-**	**107 607**	**144 534**	**-36 927**	**134.3%**	**107 607**	**107 608**
Total	**839 035**	**-**	**6 639**	**845 674**	**845 674**	**-**	**100.0%**	**772 256**	**846 622**

Sub-Programme 1.1: Office of the MEC

Economic Classification	2016/17							2015/16	
	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	**18 584**	**-**	**388**	**18 972**	**18 972**	**-**	**100.0%**	**17 089**	**17 730**
Compensation of employees	13 505	-	255	13 760	13 760	-	100.0%	11 620	12 366
Goods and services	5 079	-	133	5 212	5 212	-	100.0%	5 469	5 364
Transfers and subsidies	**-**	**-**	**18**	**18**	**18**	**-**	**100.0%**	**-**	**-**
Households	-	-	18	18	18	-	100.0%	-	-
Payments for capital assets	**1 050**	**-**	**-1 050**	**-**	**-**	**-**	**-**	**1 100**	**724**
Machinery and equipment	1 050	-	-1 050	-	-	-	-	1 100	724
Payment for financial assets				**-**		**-**	**-**	**-**	**1**
Total	**19 634**	**-**	**-644**	**18 990**	**18 990**	**-**	**100.0%**	**18 189**	**18 455**

Sub-Programme 1.2: Management

Economic Classification	2016/17							2015/16	
	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	**699 055**	**-**	**-35 831**	**663 224**	**664 468**	**-1 244**	**100.2%**	**630 059**	**704 574**
Compensation of employees	358 018	-	-5 975	352 043	352 043	-	100.0%	315 053	314 446
Goods and services	340 937	-	-30 576	310 361	311 605	-1 244	100.4%	315 006	390 024
Interest and rent on land	100	-	720	820	820	-	100.0%	-	104
Transfers and subsidies	**6 419**	**-**	**-224**	**6 195**	**17 425**	**-11 230**	**281.3%**	**6 651**	**5 689**
Provinces and municipalities	3 359	-	-456	2 903	2 903	-	100.0%	3 100	2 525
Departmental agencies and accounts	-	-	-	-	-	-	-	1	-
Households	3 060	-	232	3 292	14 522	-11 230	441.1%	3 550	3 164
Payments for capital assets	**6 320**	**-**	**43 338**	**49 658**	**257**	**49 401**	**0.5%**	**9 750**	**10 297**
Machinery and equipment	6 320	-	43 338	49 658	257	49 401	0.5%	9 750	10 297
Payment for financial assets	**107 607**	**-**	**-**	**107 607**	**144 534**	**-36 927**	**134.3%**	**107 607**	**107 607**
Total	**819 401**	**-**	**7 283**	**826 684**	**826 684**	**-**	**100.0%**	**754 067**	**828 167**

PROGRAMME 2 : DISTRICT HEALTH SERVICES

	2016/17							2015/16	
	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
District Management	296 338	-	1 634	297 972	291 190	6 782	97.7%	249 786	249 161
Community Health Clinics	3 943 589	-	3 696	3 947 285	3 915 857	31 428	99.2%	3 591 849	3 501 113
Community Health Centres	1 529 694	-	-4 628	1 525 066	1 500 268	24 798	98.4%	1 365 808	1 365 808
Community Based Services	100 000	-	-	100 000	56 204	43 796	56.2%	16 289	16 289
Other Community Services	1 202 971	-	-34 642	1 168 329	1 156 493	11 836	99.0%	1 101 276	1 104 071
HIV and AIDS	4 244 243	-	116 998	4 361 241	4 499 037	-137 796	103.2%	3 813 094	3 813 719
Nutrition	49 000	-	-	49 000	44 940	4 060	91.7%	43 820	43 820
Coroner Services	192 428	-	-4 121	188 307	180 085	8 222	95.6%	173 157	172 140
District Hospitals	6 040 502	-	31 384	6 071 886	6 079 897	-8 011	100.1%	5 643 172	5 741 775
Total	**17 598 765**	**-**	**110 321**	**17 709 086**	**17 723 971**	**-14 885**	**100.1%**	**15 998 251**	**16 007 896**

Economic Classification	2016/17							2015/16	
	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	**17 019 743**	**-**	**79 647**	**17 099 390**	**17 198 336**	**-98 946**	**100.6%**	**15 470 534**	**15 589 077**
Compensation of employees	11 309 114	-	-79 563	11 229 551	11 229 551	-	100.0%	10 382 275	10 476 826
Salaries and wages	9 874 694	-	-87 708	9 786 986	9 783 720	3 266	100.0%	9 071 401	9 117 861
Social contributions	1 434 420	-	8 145	1 442 565	1 445 831	-3 266	100.2%	1 310 874	1 358 965
Goods and services	5 709 869	-	159 064	5 868 933	5 967 879	-98 946	101.7%	5 088 120	5 111 894
Administrative fees	1 022	-	-	1 022	1 474	-452	144.2%	268	818
Advertising	8 531	-	-	8 531	16 947	-8 416	198.7%	26 404	21 163
Minor assets	43 301	-	-	43 301	27 222	16 079	62.9%	30 094	23 132
Catering: Departmental activities	1 894	-	-	1 894	1 549	345	81.8%	1 228	2 862
Communication (G&S)	58 825	-	-	58 825	67 461	-8 636	114.7%	53 179	52 806
Computer services	5 066	-	-	5 066	1 457	3 609	28.8%	3 252	3 252
Consultants: Business and advisory services	1 950	-	-	1 950	2 238	-288	114.8%	4 527	4 487
Laboratory services	1 185 627	-	-10 315	1 175 312	1 096 298	79 014	93.3%	886 645	962 065
Legal services	4 350	-	-	4 350	9 761	-5 411	224.4%	5 736	5 913
Contractors	23 056	-	-	23 056	35 905	-12 849	155.7%	26 049	25 376
Agency and support / outsourced services	110 887	-	-	110 887	109 275	1 612	98.5%	100 324	95 569
Fleet services (including government motor transport)	87 891	-	-	87 891	91 950	-4 059	104.6%	92 769	91 734
Inventory: Clothing material and accessories	6 647	-	-	6 647	7 270	-623	109.4%	7 235	7 173
Inventory: Farming supplies	-	-	-	-	10	-10	-	3	12
Inventory: Food and food supplies	78 030	-	-	78 030	73 884	4 146	94.7%	70 847	70 862
Inventory: Fuel, oil and gas	39 328	-	-	39 328	38 483	845	97.9%	34 252	34 088

Economic Classification	2016/17							2015/16	
	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
Inventory: Learner and teacher support material	-	-	-	-	3	-3	-	-	-
Inventory: Materials and supplies	9 721	-	-	9 721	11 554	-1 833	118.9%	6 317	9 362
Inventory: Medical supplies	417 500	-	14 427	431 927	467 830	-35 903	108.3%	472 509	440 167
Inventory: Medicine	2 556 205	-	154 952	2 711 157	2 898 233	-187 076	106.9%	2 348 656	2 348 656
Inventory: Other supplies	220	-	-	220	382	-162	173.6%	330	375
Consumable supplies	120 940	-	-	120 940	121 805	-865	100.7%	115 699	114 296
Consumable: Stationery, printing and office supplies	46 361	-	-	46 361	51 138	-4 777	110.3%	56 997	50 752
Operating leases	42 920	-	-	42 920	37 100	5 820	86.4%	46 530	46 271
Property payments	824 005	-	-	824 005	762 405	61 600	92.5%	653 467	653 581
Transport provided: Departmental activity	1 500	-	-	1 500	1 654	-154	110.3%	1 275	1 275
Travel and subsistence	19 580	-	-	19 580	24 063	-4 483	122.9%	26 527	28 841
Training and development	7 060	-	-	7 060	3 917	3 143	55.5%	3 184	4 014
Operating payments	7 432	-	-	7 432	6 509	923	87.6%	13 251	12 426
Venues and facilities	16	-	-	16	69	-53	431.3%	564	564
Rental and hiring	4	-	-	4	33	-29	825.0%	2	2
Interest and rent on land	760	-	146	906	906	-	100.0%	139	357
Interest (Incl. interest on unitary payments (PPP))	760	-	146	906	906	-	100.0%	139	357
Transfers and subsidies	**446 058**	**-**	**4 784**	**450 842**	**458 294**	**-7 452**	**101.7%**	**416 887**	**363 631**
Provinces and municipalities	221 786	-	-	221 786	154 750	67 036	69.8%	205 250	129 600
Municipalities	221 786	-	-	221 786	154 750	67 036	69.8%	205 250	129 600
Municipal bank accounts	221 786	-	-	221 786	154 750	67 036	69.8%	205 250	129 600
Departmental agencies and accounts	35	-	72	107	107	-	100.0%	35	48

Economic Classification	2016/17							2015/16	
	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
Departmental agencies (non-business entities)	35	-	72	107	107	-	100.0%	35	48
Non-profit institutions	170 213	-	543	170 756	171 372	-616	100.4%	165 157	165 147
Households	54 024	-	4 169	58 193	132 065	-73 872	226.9%	46 445	68 836
Social benefits	53 980	-	4 169	58 149	58 149	-	100.0%	45 311	67 262
Other transfers to households	44	-	-	44	73 916	-73 872	167990.9%	1 134	1 574
Payments for capital assets	**132 964**	**-**	**25 890**	**158 854**	**67 311**	**91 543**	**42.4%**	**110 828**	**55 159**
Machinery and equipment	132 964	-	25 890	158 854	67 311	91 543	42.4%	110 828	55 159
Transport equipment	91 376	-	-	91 376	35 923	55 453	39.3%	52 918	34 867
Other machinery and equipment	41 588	-	25 890	67 478	31 388	36 090	46.5%	57 910	20 292
Payment for financial assets	**-**	**-**	**-**	**-**	**30**	**-30**	**-**	**2**	**29**
Total	**17 598 765**	**-**	**110 321**	**17 709 086**	**17 723 971**	**-14 885**	**100.1%**	**15 998 251**	**16 007 896**

Sub-Programme 2.1: District Management

Economic Classification	2016/17							2015/16	
	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	**279 229**	**-**	**912**	**280 141**	**283 008**	**-2 867**	**101.0%**	**241 001**	**242 963**
Compensation of employees	222 588	-	902	223 490	224 274	-784	100.4%	191 177	193 021
Goods and services	56 621	-	-	56 621	58 704	-2 083	103.7%	49 821	49 925
Interest and rent on land	20	-	10	30	30	-	100.0%	3	17
Transfers and subsidies	**1 159**	**-**	**722**	**1 881**	**1 929**	**-48**	**102.6%**	**446**	**411**
Households	1 159	-	722	1 881	1 929	-48	102.6%	446	411
Payments for capital assets	**15 950**	**-**	**-**	**15 950**	**6 253**	**9 697**	**39.2%**	**8 339**	**5 787**
Machinery and equipment	15 950	-	-	15 950	6 253	9 697	39.2%	8 339	5 787
Total	**296 338**	**-**	**1 634**	**297 972**	**291 190**	**6 782**	**97.7%**	**249 786**	**249 161**

Sub-Programme 2.2: Community Health Clinics

Economic classification	2016/17							2015/16	
	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	**3 728 803**	**-**	**30**	**3 728 833**	**3 743 103**	**-14 270**	**100.4%**	**3 365 872**	**3 381 710**
Compensation of employees	2 325 524	-	-41 224	2 284 300	2 284 300	-	100.0%	2 170 000	2 170 975
Goods and services	1 403 179	-	41 224	1 444 403	1 458 673	-14 270	101.0%	1 195 872	1 210 673
Interest and rent on land	100	-	30	130	130	-	100.0%	-	62
Transfers and subsidies	**180 786**	**-**	**3 666**	**184 452**	**157 420**	**27 032**	**85.3%**	**184 353**	**110 646**
Provinces and municipalities	141 786	-	-	141 786	114 750	27 036	80.9%	145 250	69 600
Departmental agencies and accounts	-	-	18	18	18	-	100.0%	-	4
Non-profit institutions	27 000		543	27 543	27 497	46	99.8%	28 103	26 600
Households	12 000	-	3 105	15 105	15 155	-50	100.3%	11 000	14 442
Payments for capital assets	**34 000**	**-**	**-**	**34 000**	**15 334**	**18 666**	**45.1%**	**41 624**	**8 757**
Machinery and equipment	34 000	-	-	34 000	15 334	18 666	45.1%	41 624	8 757
Total	**3 943 589**	**-**	**3 696**	**3 947 285**	**3 915 857**	**31 428**	**99.2%**	**3 591 849**	**3 501 113**

Sub-Programme 2.3: Community Health Centres

Economic Classification	2016/17							2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	**1 508 700**	**-**	**25**	**1 508 725**	**1 492 833**	**15 892**	**98.9%**	**1 353 604**	**1 356 616**
Compensation of employees	1 108 000	-	18	1 108 018	1 108 018	-	100.0%	1 014 969	1 019 465
Goods and services	400 670	-	-	400 670	384 778	15 892	96.0%	338 622	337 118
Interest and rent on land	30	-	7	37	37	-	100.0%	13	33
Transfers and subsidies	**8 994**	**-**	**-4 653**	**4 341**	**4 544**	**-203**	**104.7%**	**5 187**	**5 754**
Departmental agencies and accounts	-	-	10	10	10	-	100.0%	1	6
Households	8 994	-	-4 663	4 331	4 534	-203	104.7%	5 186	5 748
Payments for capital assets	**12 000**	**-**	**-**	**12 000**	**2 891**	**9 109**	**24.1%**	**7 017**	**3 438**
Machinery and equipment	12 000	-	-	12 000	2 891	9 109	24.1%	7 017	3 438
Total	**1 529 694**	**-**	**-4 628**	**1 525 066**	**1 500 268**	**24 798**	**98.4%**	**1 365 808**	**1 365 808**

Sub-Programme 2.4: Community Based services

Economic Classification	2016/17							2015/16	
	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	**100 000**	**-**	**-**	**100 000**	**56 204**	**43 796**	**56.2%**	**16 289**	**16 289**
Compensation of employees	13 000	-	-	13 000	13 000	-	100.0%	12 000	13 000
Goods and services	87 000	-	-	87 000	43 204	43 796	49.7%	4 289	3 289
Total	**100 000**	**-**	**-**	**100 000**	**56 204**	**43 796**	**56.2%**	**16 289**	**16 289**

Sub-Programme 2.5: Other Community Services

Economic Classification	2016/17							2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	**1 188 789**	**-**	**-35 267**	**1 153 522**	**1 151 602**	**1 920**	**99.8%**	**1 080 831**	**1 082 028**
Compensation of employees	1 154 006	-	-35 268	1 118 738	1 118 738	-	100.0%	1 042 138	1 046 805
Goods and services	34 783	-	-	34 783	32 863	1 920	94.5%	38 693	35 222
Interest and rent on land	-	-	1	1	1	-	100.0%	-	1
Transfers and subsidies	**4 182**	**-**	**625**	**4 807**	**4 807**	**-**	**100.0%**	**2 904**	**7 555**
Households	4 182	-	625	4 807	4 807	-	100.0%	2 904	7 555
Payments for capital assets	**10 000**	**-**	**-**	**10 000**	**84**	**9 916**	**0.8%**	**17 541**	**14 488**
Machinery and equipment	10 000	-	-	10 000	84	9 916	0.8%	17 541	14 488
Total	**1 202 971**	**-**	**-34 642**	**1 168 329**	**1 156 493**	**11 836**	**99.0%**	**1 101 276**	**1 104 071**

Sub-Programme 2.6: HIV and AIDS

Economic Classification	2016/17							2015/16	
	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	**4 113 794**	**-**	**117 840**	**4 231 634**	**4 410 629**	**-178 995**	**104.2%**	**3 719 287**	**3 732 519**
Compensation of employees	1 858 068	-	-	1 858 068	1 864 600	-6 532	100.4%	1 667 600	1 666 969
Goods and services	2 255 726	-	117 840	2 373 566	2 546 029	-172 463	107.3%	2 051 687	2 065 550
Transfers and subsidies	**99 113**	**-**	**-842**	**98 271**	**57 051**	**41 220**	**58.1%**	**77 647**	**78 464**
Provinces and municipalities	80 000	-	-	80 000	40 000	40 000	50.0%	60 000	60 000
Non-profit institutions	12 674		-	12 674	11 454	1 220	90.4%	12 607	13 790
Households	6 439	-	-842	5 597	5 597	-	100.0%	5 040	4 674
Payments for capital assets	**31 336**	**-**	**-**	**31 336**	**31 357**	**-21**	**100.1%**	**16 160**	**2 736**
Machinery and equipment	31 336	-	-	31 336	31 357	-21	100.1%	16 160	2 736
Total	**4 244 243**	**-**	**116 998**	**4 361 241**	**4 499 037**	**-137 796**	**103.2%**	**3 813 094**	**3 813 719**

Sub-Programme 2.7: Nutrition

Economic Classification	2016/17							2015/16	
	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	**48 822**	**-**	**-**	**48 822**	**44 762**	**4 060**	**91.7%**	**43 820**	**43 820**
Goods and services	48 822	-	-	48 822	44 762	4 060	91.7%	43 820	43 820
Payments for capital assets	**178**	**-**	**-**	**178**	**178**	**-**	**100.0%**	**-**	**-**
Machinery and equipment	178	-	-	178	178	-	100.0%	-	-
Total	**49 000**	**-**	**-**	**49 000**	**44 940**	**4 060**	**91.7%**	**43 820**	**43 820**

Sub-Programme 2.8: Coroner Services

Economic Classification	2016/17							2015/16	
	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	**187 728**	**-**	**-3 987**	**183 741**	**179 216**	**4 525**	**97.5%**	**166 011**	**166 651**
Compensation of employees	152 563	-	-3 991	148 572	148 572	-	100.0%	138 707	138 257
Goods and services	35 155	-	-	35 155	30 630	4 525	87.1%	27 303	28 382
Interest and rent on land	10	-	4	14	14	-	100.0%	1	12
Transfers and subsidies	**200**	**-**	**-134**	**66**	**66**	**-**	**100.0%**	**234**	**260**
Households	200	-	-134	66	66	-	100.0%	234	260
Payments for capital assets	**4 500**	**-**	**-**	**4 500**	**803**	**3 697**	**17.8%**	**6 912**	**5 229**
Machinery and equipment	4 500	-	-	4 500	803	3 697	17.8%	6 912	5 229
Total	**192 428**	**-**	**-4 121**	**188 307**	**180 085**	**8 222**	**95.6%**	**173 157**	**172 140**

Sub-Programme 2.9: District Hospitals

Economic Classification	2016/17							2015/16	
	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	**5 863 878**	**-**	**94**	**5 863 972**	**5 836 979**	**26 993**	**99.5%**	**5 483 819**	**5 566 481**
Compensation of employees	4 475 365	-	-	4 475 365	4 468 049	7 316	99.8%	4 145 684	4 228 334
Goods and services	1 387 913	-	-	1 387 913	1 368 236	19 677	98.6%	1 338 013	1 337 915
Interest and rent on land	600	-	94	694	694	-	100.0%	122	232
Transfers and subsidies	**151 624**	**-**	**5 400**	**157 024**	**232 477**	**-75 453**	**148.1%**	**146 116**	**160 541**
Departmental agencies and accounts	35	-	44	79	79	-	100.0%	34	38
Non-profit institutions	130 539	-	-	130 539	132 421	-1 882	101.4%	124 447	124 757
Households	21 050	-	5 356	26 406	99 977	-73 571	378.6%	21 635	35 746
Payments for capital assets	**25 000**	**-**	**25 890**	**50 890**	**10 411**	**40 479**	**20.5%**	**13 235**	**14 724**
Machinery and equipment	25 000	-	25 890	50 890	10 411	40 479	20.5%	13 235	14 724
Payment for financial assets	**-**	**-**	**-**	**-**	**30**	**-30**	**-**	**2**	**29**
Total	**6 040 502**	**-**	**31 384**	**6 071 886**	**6 079 897**	**-8 011**	**100.1%**	**5 643 172**	**5 741 775**

PROGRAMME 3: EMERGENCY MEDICAL SERVICES

	2016/17							2015/16	
	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
Emergency Services	1 104 508	-	9 952	1 114 460	1 114 738	-278	100.0%	1 106 709	1 106 709
Planned Patient Transport	95 267	-	-464	94 803	94 525	278	99.7%	67 669	67 669
Total	**1 199 775**	**-**	**9 488**	**1 209 263**	**1 209 263**	**-**	**100.0%**	**1 174 378**	**1 174 378**

Economic Classification	2016/17							2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	**1 175 068**	**-**	**11 130**	**1 186 198**	**1 189 528**	**-3 330**	**100.3%**	**1 125 825**	**1 133 984**
Compensation of employees	842 003	-	21 487	863 490	866 530	-3 040	100.4%	814 187	822 311
Salaries and wages	713 843	-	21 200	735 043	738 046	-3 003	100.4%	698 195	696 517
Social contributions	128 160	-	287	128 447	128 484	-37	100.0%	115 992	125 794
Goods and services	333 005	-	-10 358	322 647	322 937	-290	100.1%	311 638	311 638
Administrative fees	20	-	-	20	35	-15	175.0%	-	-
Advertising	17	-	-	17	43	-26	252.9%	12	12
Minor assets	1 000	-	-130	870	630	240	72.4%	356	356
Communication (G&S)	9 570	-	-	9 570	9 395	175	98.2%	8 734	8 734
Consultants: Business and advisory services	-	-	-	-	5	-5	-	2	2
Legal services	90	-	-	90	320	-230	355.6%	77	77
Contractors	1 000	-	-	1 000	1 305	-305	130.5%	2 515	2 515
Agency and support / outsourced services	550	-	-52	498	472	26	94.8%	542	542
Fleet services (including government motor transport)	194 806	-	-9 581	185 225	179 855	5 370	97.1%	168 660	168 660
Inventory: Clothing material and accessories	3 300	-	-595	2 705	248	2 457	9.2%	7 714	7 714
Inventory: Fuel, oil and gas	-	-	-	-	9 033	-9 033	-	2 219	2 219
Inventory: Materials and supplies	234	-	-	234	187	47	79.9%	53	53
Inventory: Medical supplies	11 000	-	-	11 000	11 097	-97	100.9%	11 709	11 709
Inventory: Medicine	300	-	-	300	563	-263	187.7%	148	148
Consumable supplies	4 000	-	-	4 000	4 373	-373	109.3%	1 922	1 922
Consumable: Stationery, printing and office supplies	2 000	-	-	2 000	2 206	-206	110.3%	2 092	2 092
Operating leases	1 620	-	-	1 620	1 624	-4	100.2%	1 615	1 615

Economic Classification	2016/17							2015/16	
	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
Property payments	23 821	-	-	23 821	22 129	1 692	92.9%	19 620	19 620
Transport provided: Departmental activity	78 000	-	-	78 000	77 341	659	99.2%	79 756	79 756
Travel and subsistence	1 477	-	-	1 477	1 961	-484	132.8%	3 678	3 678
Training and development	-	-	-	-	-	-	-	8	8
Operating payments	200	-	-	200	115	85	57.5%	206	206
Interest and rent on land	60	-	1	61	61	-	100.0%	-	35
Interest (Incl. interest on unitary payments (PPP))	60	-	1	61	61	-	100.0%	-	35
Transfers and subsidies	**4 392**	**-**	**-613**	**3 779**	**3 779**	**-**	**100.0%**	**5 216**	**3 437**
Provinces and municipalities	2 300	-	-299	2 001	2 001	-	100.0%	3 190	1 177
Provinces	2 300	-	-299	2 001	2 001	-	100.0%	3 190	1 177
Provincial Revenue Funds	300	-	-300	-	-	-	-	90	-
Provincial agencies and funds	2 000	-	1	2 001	2 001	-	100.0%	3 100	1 177
Departmental agencies and accounts	-	-	2	2	2	-	100.0%	1	2
Departmental agencies (non-business entities)	-	-	2	2	2	-	100.0%	1	2
Households	2 092	-	-316	1 776	1 776	-	100.0%	2 025	2 258
Social benefits	1 656	-	-298	1 358	1 358	-	100.0%	750	1 733
Other transfers to households	436	-	-18	418	418	-	100.0%	1 275	525
Payments for capital assets	**20 315**	**-**	**-1 029**	**19 286**	**15 956**	**3 330**	**82.7%**	**43 337**	**36 957**
Machinery and equipment	20 315	-	-1 029	19 286	15 956	3 330	82.7%	43 337	36 957
Transport equipment	14 000	-	-	14 000	14 488	-488	103.5%	38 337	35 871
Other machinery and equipment	6 315	-	-1 029	5 286	1 468	3 818	27.8%	5 000	1 086
Total	**1 199 775**	**-**	**9 488**	**1 209 263**	**1 209 263**	**-**	**100.0%**	**1 174 378**	**1 174 378**

Sub-Programme 3.1: Emergency Services

Economic Classification	2016/17							2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	**1 080 626**	**-**	**11 100**	**1 091 726**	**1 095 019**	**-3 293**	**100.3%**	**1 063 221**	**1 066 449**
Compensation of employees	794 000	-	20 701	814 701	817 704	-3 003	100.4%	779 062	782 255
Goods and services	286 566	-	-9 602	276 964	277 254	-290	100.1%	284 159	284 159
Interest and rent on land	60	-	1	61	61	-	100.0%	-	35
Transfers and subsidies	**3 882**	**-**	**-119**	**3 763**	**3 763**	**-**	**100.0%**	**4 976**	**3 303**
Provinces and municipalities	2 000	-	1	2 001	2 001	-	100.0%	3 100	1 177
Departmental agencies and accounts	-	-	2	2	2	-	100.0%	1	2
Households	1 882	-	-122	1 760	1 760	-	100.0%	1 875	2 124
Payments for capital assets	**20 000**	**-**	**-1 029**	**18 971**	**15 956**	**3 015**	**84.1%**	**38 512**	**36 957**
Machinery and equipment	20 000	-	-1 029	18 971	15 956	3 015	84.1%	38 512	36 957
Total	**1 104 508**	**-**	**9 952**	**1 114 460**	**1 114 738**	**-278**	**100.0%**	**1 106 709**	**1 106 709**

Sub-Programme 3.2: Planned Patient Transport

Economic Classification	2016/17							2015/16	
	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	**94 442**	**-**	**30**	**94 472**	**94 509**	**-37**	**100.0%**	**62 604**	**67 535**
Compensation of employees	48 003	-	786	48 789	48 826	-37	100.1%	35 125	40 056
Goods and services	46 439	-	-756	45 683	45 683	-	100.0%	27 479	27 479
Transfers and subsidies	**510**	**-**	**-494**	**16**	**16**	**-**	**100.0%**	**240**	**134**
Provinces and municipalities	300	-	-300	-	-	-	-	90	-
Households	210	-	-194	16	16	-	100.0%	150	134
Payments for capital assets	**315**	**-**	**-**	**315**	**-**	**315**	**-**	**4 825**	**-**
Machinery and equipment	315	-	-	315	-	315	-	4 825	-
Total	**95 267**	**-**	**-464**	**94 803**	**94 525**	**278**	**99.7%**	**67 669**	**67 669**

PROGRAMME 4: PROVINCIAL HOSPITAL SERVICES

	2016/17							2015/16	
	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
General (Regional) Hospitals	7 800 159	-	43 703	7 843 862	7 822 649	21 213	99.7%	7 303 055	7 311 976
Tuberculosis Hospitals	754 589	-	-3 794	750 795	776 902	-26 107	103.5%	744 036	734 142
Psychiatric Hospitals	834 859	-	-10 047	824 812	825 338	-526	100.1%	788 178	788 178
Sub-Acute, Step-Down & Chronic Hospitals	390 897	-	-11 213	379 684	378 575	1 109	99.7%	359 380	361 110
Dental Training Hospital	19 930	-	-280	19 650	19 451	199	99.0%	18 897	18 958
Total	**9 800 434**	**-**	**18 369**	**9 818 803**	**9 822 915**	**-4 112**	**100.0%**	**9 213 546**	**9 214 364**

Economic Classification	2016/17							2015/16	
	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	**9 711 951**	**-**	**-41 328**	**9 670 623**	**9 621 228**	**49 395**	**99.5%**	**9 051 054**	**9 047 148**
Compensation of employees	7 483 492	-	-41 410	7 442 082	7 442 082	-	100.0%	6 988 789	6 989 676
Salaries and wages	6 546 183	-	-43 483	6 502 700	6 502 700	-	100.0%	6 104 964	6 093 608
Social contributions	937 309	-	2 073	939 382	939 382	-	100.0%	883 825	896 068
Goods and services	2 228 249	-	-	2 228 249	2 178 854	49 395	97.8%	2 062 238	2 056 552
Administrative fees	119	-	-	119	138	-19	116.0%	1 928	1 928
Advertising	2 215	-	-	2 215	2 213	2	99.9%	2 538	2 538
Minor assets	6 379	-	-	6 379	6 189	190	97.0%	5 807	5 667
Catering: Departmental activities	81	-	-	81	59	22	72.8%	123	72
Communication (G&S)	20 089	-	-	20 089	20 514	-425	102.1%	19 600	19 520
Computer services	-	-	-	-	224	-224	-	6	6
Consultants: Business and advisory services	385	-	-	385	869	-484	225.7%	139	139
Laboratory services	299 502	-	-4 526	294 976	252 800	42 176	85.7%	286 067	286 067
Legal services	9 864	-	4 526	14 390	17 642	-3 252	122.6%	8 576	8 576
Contractors	45 370	-	-	45 370	42 107	3 263	92.8%	22 525	22 525
Agency and support / outsourced services	160 002	-	-	160 002	155 703	4 299	97.3%	139 360	139 360
Fleet services (including government motor transport)	15 520	-	-	15 520	16 432	-912	105.9%	16 330	16 330
Inventory: Clothing material and accessories	4 340	-	-	4 340	4 275	65	98.5%	3 754	3 754
Inventory: Food and food supplies	42 225	-	-	42 225	40 169	2 056	95.1%	40 323	40 323
Inventory: Fuel, oil and gas	61 894	-	-	61 894	53 216	8 678	86.0%	47 849	47 849
Inventory: Materials and supplies	3 741	-	-	3 741	4 588	-847	122.6%	3 680	3 680
Inventory: Medical supplies	551 063	-	-	551 063	551 046	17	100.0%	517 808	518 935

Economic Classification	2016/17							2015/16	
	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
Inventory: Medicine	426 104	-	-	426 104	439 658	-13 554	103.2%	434 697	428 158
Consumable supplies	80 563	-	-	80 563	85 478	-4 915	106.1%	81 720	81 720
Consumable: Stationery, printing and office supplies	23 516	-	-	23 516	24 712	-1 196	105.1%	27 870	27 870
Operating leases	10 131	-	-	10 131	10 036	95	99.1%	10 769	10 769
Property payments	458 308	-	-	458 308	443 081	15 227	96.7%	379 046	379 043
Transport provided: Departmental activity	810	-	-	810	857	-47	105.8%	74	74
Travel and subsistence	2 700	-	-	2 700	3 123	-423	115.7%	4 561	4 561
Training and development	-	-	-	-	8	-8	-	-	-
Operating payments	3 328	-	-	3 328	3 717	-389	111.7%	7 085	7 085
Rental and hiring	-	-	-	-	-	-	-	3	3
Interest and rent on land	210	-	82	292	292	-	100.0%	27	920
Interest (Incl. interest on unitary payments (PPP))	210	-	82	292	292	-	100.0%	27	920
Transfers and subsidies	**62 283**	**-**	**29 880**	**92 163**	**193 032**	**-100 869**	**209.4%**	**116 194**	**134 412**
Provinces and municipalities	100	-	1	101	101	-	100.0%	-	-
Provinces	100	-	1	101	101	-	100.0%	-	-
Provincial agencies and funds	100	-	1	101	101	-	100.0%	-	-
Departmental agencies and accounts	81	-	46	127	127	-	100.0%	92	44
Departmental agencies (non-business entities)	81	-	46	127	127	-	100.0%	92	44
Public corporations and private enterprises	-	-	-	-	-	-	-	-	10
Private enterprises	-	-	-	-	-	-	-	-	10
Other transfers to private enterprises	-	-	-	-	-	-	-	-	10
Non-profit institutions	33 100	-	-543	32 557	32 557	-	100.0%	31 882	28 255
Households	29 002	-	30 376	59 378	160 247	-100 869	269.9%	84 220	106 103

Economic Classification	2016/17							2015/16	
	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
Social benefits	29 002	-	2 889	31 891	31 891	-	100.0%	31 812	37 468
Other transfers to households	-	-	27 487	27 487	128 356	-100 869	467.0%	52 408	68 635
Payments for capital assets	**26 200**	**-**	**29 817**	**56 017**	**8 655**	**47 362**	**15.5%**	**46 298**	**30 385**
Machinery and equipment	26 200	-	29 817	56 017	8 655	47 362	15.5%	46 298	30 385
Transport equipment	6 000	-	-	6 000	-	6 000	-	2 455	2 929
Other machinery and equipment	20 200	-	29 817	50 017	8 655	41 362	17.3%	43 843	27 456
Payment for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2 419**
Total	**9 800 434**	**-**	**18 369**	**9 818 803**	**9 822 915**	**-4 112**	**100.0%**	**9 213 546**	**9 214 364**

Sub-Programme 4.1: General (Regional) Hospitals

Economic Classification	2016/17							2015/16	
	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	**7 758 093**	**-**	**-13 743**	**7 744 350**	**7 663 795**	**80 555**	**99.0%**	**7 182 224**	**7 183 200**
Compensation of employees	5 934 000	-	-13 822	5 920 178	5 920 178	-	100.0%	5 511 038	5 511 038
Goods and services	1 823 943	-	-	1 823 943	1 743 388	80 555	95.6%	1 671 186	1 671 291
Interest and rent on land	150	-	79	229	229	-	100.0%	-	871
Transfers and subsidies	**24 066**	**-**	**27 629**	**51 695**	**152 445**	**-100 750**	**294.9%**	**78 916**	**99 152**
Provinces and municipalities	100	-	-	100	100	-	100.0%	-	-
Departmental agencies and accounts	71	-	25	96	96	-	100.0%	63	25
Public corporations and private enterprises	-	-	-	-	-	-	-	-	10
Households	23 895	-	27 604	51 499	152 249	-100 750	295.6%	78 853	99 117
Payments for capital assets	**18 000**	**-**	**29 817**	**47 817**	**6 409**	**41 408**	**13.4%**	**41 915**	**27 205**
Machinery and equipment	18 000	-	29 817	47 817	6 409	41 408	13.4%	41 915	27 205
Payment for financial assets	**-**	**-**	**-**	**-**		**-**	**-**	**-**	**2 419**
Total	**7 800 159**	**-**	**43 703**	**7 843 862**	**7 822 649**	**21 213**	**99.7%**	**7 303 055**	**7 311 976**

Sub-Programme 4.2: Tuberculosis Hospitals

Economic Classification	2016/17							2015/16	
	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	**718 099**	**-**	**-3 350**	**714 749**	**742 458**	**-27 709**	**103.9%**	**709 385**	**702 855**
Compensation of employees	520 000	-	-3 374	516 626	516 626	-	100.0%	503 146	503 146
Goods and services	198 089	-	-	198 089	225 798	-27 709	114.0%	206 220	199 681
Interest and rent on land	10	-	24	34	34	-	100.0%	19	28
Transfers and subsidies	**34 490**	**-**	**-444**	**34 046**	**34 046**	**-**	**100.0%**	**33 151**	**29 899**
Departmental agencies and accounts	10	-	5	15	15	-	100.0%	9	1
Non-profit institutions	33 100		-543	32 557	32 557	-	100.0%	31 882	28 255
Households	1 380	-	94	1 474	1 474	-	100.0%	1 260	1 643
Payments for capital assets	**2 000**	**-**	**-**	**2 000**	**398**	**1 602**	**19.9%**	**1 500**	**1 388**
Machinery and equipment	2 000	-	-	2 000	398	1 602	19.9%	1 500	1 388
Total	**754 589**	**-**	**-3 794**	**750 795**	**776 902**	**-26 107**	**103.5%**	**744 036**	**734 142**

Sub-Programme 4.3: Psychiatric Hospitals

Economic Classification	2016/17							2015/16	
	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	**828 035**	**-**	**-11 535**	**816 500**	**819 574**	**-3 074**	**100.4%**	**783 072**	**782 992**
Compensation of employees	694 000	-	-11 524	682 476	682 476	-	100.0%	663 191	663 191
Goods and services	134 005	-	-	134 005	137 079	-3 074	102.3%	119 881	119 801
Interest and rent on land	30	-	-11	19	19	-	100.0%	-	-
Transfers and subsidies	**2 624**	**-**	**1 488**	**4 112**	**4 112**	**-**	**100.0%**	**3 223**	**3 558**
Provinces and municipalities	-	-	1	1	1	-	100.0%	-	-
Departmental agencies and accounts	-	-	7	7	7	-	100.0%	20	18
Households	2 624	-	1 480	4 104	4 104	-	100.0%	3 203	3 540
Payments for capital assets	**4 200**	**-**	**-**	**4 200**	**1 652**	**2 548**	**39.3%**	**1 883**	**1 628**
Machinery and equipment	4 200	-	-	4 200	1 652	2 548	39.3%	1 883	1 628
Total	**834 859**	**-**	**-10 047**	**824 812**	**825 338**	**-526**	**100.1%**	**788 178**	**788 178**

SUB PROGRAMME: 4.4: SUB-ACUTE, STEP-DOWN AND CHRONIC MEDICAL HOSPITALS

Economic Classification	2016/17							2015/16	
	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	**387 844**	**-**	**-12 388**	**375 456**	**376 032**	**-576**	**100.2%**	**357 513**	**359 412**
Compensation of employees	317 000	-	-12 378	304 622	304 622	-	100.0%	293 794	294 798
Goods and services	70 824	-	-	70 824	71 400	-576	100.8%	63 711	64 593
Interest and rent on land	20	-	-10	10	10	-	100.0%	8	21
Transfers and subsidies	**1 053**	**-**	**1 175**	**2 228**	**2 347**	**-119**	**105.3%**	**867**	**1 534**
Departmental agencies and accounts	-	-	9	9	9	-	100.0%	-	-
Households	1 053	-	1 166	2 219	2 338	-119	105.4%	867	1 534
Payments for capital assets	**2 000**	**-**	**-**	**2 000**	**196**	**1 804**	**9.8%**	**1 000**	**164**
Machinery and equipment	2 000	-	-	2 000	196	1 804	9.8%	1 000	164
Total	**390 897**	**-**	**-11 213**	**379 684**	**378 575**	**1 109**	**99.7%**	**359 380**	**361 110**

Sub-Programme 4.5: Dental Training Hospital

Economic Classification	2016/17							2015/16	
	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	**19 880**	**-**	**-312**	**19 568**	**19 369**	**199**	**99.0%**	**18 860**	**18 689**
Compensation of employees	18 492	-	-312	18 180	18 180	-	100.0%	17 620	17 503
Goods and services	1 388	-	-	1 388	1 189	199	85.7%	1 240	1 186
Transfers and subsidies	**50**	**-**	**32**	**82**	**82**	**-**	**100.0%**	**37**	**269**
Households	50	-	32	82	82	-	100.0%	37	269
Total	**19 930**	**-**	**-280**	**19 650**	**19 451**	**199**	**99.0%**	**18 897**	**18 958**

PROGRAMME 5: CENTRAL HOSPITAL SERVICES

	2016/17							2015/16	
	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
Central Hospital Services	2 361 471	-	-12 411	2 349 060	2 259 604	89 456	96.2%	2 063 323	2 087 907
Provincial Tertiary Hospital Services	2 179 368	-	5 729	2 185 097	2 274 553	-89 456	104.1%	2 025 278	2 037 022
Total	**4 540 839**	**-**	**-6 682**	**4 534 157**	**4 534 157**	**-**	**100.0%**	**4 088 601**	**4 124 929**

Economic Classification	2016/17							2015/16	
	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	**4 522 576**	**-**	**-23 071**	**4 499 505**	**4 472 417**	**27 088**	**99.4%**	**4 061 896**	**4 092 468**
Compensation of employees	2 508 673	-	-16 263	2 492 410	2 492 410	-	100.0%	2 266 728	2 331 335
Salaries and wages	2 186 300	-	-14 689	2 171 611	2 171 611	-	100.0%	1 988 281	2 028 900
Social contributions	322 373	-	-1 574	320 799	320 799	-	100.0%	278 447	302 435
Goods and services	2 013 903	-	-6 848	2 007 055	1 979 967	27 088	98.7%	1 795 168	1 761 005
Administrative fees	15	-	-	15	22	-7	146.7%	9	9
Advertising	800	-	-	800	912	-112	114.0%	855	855
Minor assets	700	-	-	700	531	169	75.9%	331	331
Catering: Departmental activities	4	-	-	4	-112	116	(2800.0%)	4	4
Communication (G&S)	6 550	-	-	6 550	6 413	137	97.9%	5 526	5 526
Computer services	-	-	-	-	3 020	-3 020	-	-	-
Laboratory services	160 000	-	-	160 000	269 539	-109 539	168.5%	108 276	108 276
Legal services	2 400	-	-	2 400	5 118	-2 718	213.3%	1 556	1 556
Contractors	24 030	-	-	24 030	23 516	514	97.9%	11 038	11 038
Agency and support / outsourced services	906 355	-	-3 136	903 219	769 991	133 228	85.2%	864 116	864 116
Fleet services (including government motor transport)	820	-	-	820	786	34	95.9%	940	940
Inventory: Clothing material and accessories	1 500	-	-	1 500	2 216	-716	147.7%	2 042	2 042
Inventory: Food and food supplies	9 000	-	-	9 000	6 981	2 019	77.6%	7 548	7 548
Inventory: Fuel, oil and gas	39 000	-	-	39 000	35 481	3 519	91.0%	32 803	32 803
Inventory: Materials and supplies	100	-	-	100	174	-74	174.0%	157	279
Inventory: Medical supplies	516 000	-	-4 917	511 083	505 182	5 901	98.8%	484 465	484 465
Inventory: Medicine	208 242	-	-	208 242	215 791	-7 549	103.6%	152 682	118 397

Economic Classification	2016/17							2015/16	
	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
Inventory: Other supplies	1 087	-	-	1 087	1 247	-160	114.7%	1 420	1 420
Consumable supplies	30 880	-	-	30 880	25 668	5 212	83.1%	26 594	26 594
Consumable: Stationery, printing office supplies	3 900	-	1 205	5 105	3 775	1 330	73.9%	3 707	3 707
Operating leases	1 080	-	-	1 080	956	124	88.5%	959	959
Property payments	99 400	-	-	99 400	100 827	-1 427	101.4%	88 728	88 728
Transport provided: Departmental activity	-	-	-	-	1	-1	-	14	14
Travel and subsistence	480	-	-	480	590	-110	122.9%	431	431
Operating payments	1 560	-	-	1 560	1 342	218	86.0%	967	967
Interest and rent on land	-	-	40	40	40	-	100.0%	-	128
Interest (Incl. interest on unitary payments (PPP))	-	-	40	40	40	-	100.0%	-	128
Transfers and subsidies	**12 763**	**-**	**8 488**	**21 251**	**48 533**	**-27 282**	**228.4%**	**23 959**	**30 432**
Departmental agencies and accounts	82	-	-29	53	53	-	100.0%	54	52
Departmental agencies (non-business entities)	82	-	-29	53	53	-	100.0%	54	52
Households	12 681	-	8 517	21 198	48 480	-27 282	228.7%	23 905	30 380
Social benefits	12 681	-	-984	11 697	11 697	-	100.0%	10 270	11 372
Other transfers to households	-	-	9 501	9 501	36 783	-27 282	387.1%	13 635	19 008
Payments for capital assets	**5 500**	**-**	**7 901**	**13 401**	**13 207**	**194**	**98.6%**	**2 746**	**2 029**
Buildings and other fixed structures	-	-	2 000	2 000	2 000	-	100.0%	-	-
Other fixed structures	-	-	2 000	2 000	2 000	-	100.0%	-	-
Machinery and equipment	5 500	-	5 901	11 401	11 207	194	98.3%	2 746	2 029
Transport equipment	500	-	-	500	-	500	-	240	598
Other machinery and equipment	5 000	-	5 901	10 901	11 207	-306	102.8%	2 506	1 431
Total	**4 540 839**	**-**	**-6 682**	**4 534 157**	**4 534 157**	**-**	**100.0%**	**4 088 601**	**4 124 929**

Sub-Programme 5.1: Central Hospital Services

Economic Classification	2016/17							2015/16	
	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	**2 356 471**	**-**	**-13 490**	**2 342 981**	**2 248 665**	**94 316**	**96.0%**	**2 060 696**	**2 081 027**
Compensation of employees	975 000	-	-5 768	969 232	969 232	-	100.0%	891 000	911 144
Goods and services	1 381 471	-	-7 762	1 373 709	1 279 393	94 316	93.1%	1 169 696	1 169 883
Interest and rent on land	-	-	40	40	40	-	100.0%	-	-
Transfers and subsidies	**5 000**	**-**	**-921**	**4 079**	**8 939**	**-4 860**	**219.1%**	**2 627**	**6 880**
Departmental agencies and accounts	53	-	-	53	53	-	100.0%	25	52
Households	4 947	-	-921	4 026	8 886	-4 860	220.7%	2 602	6 828
Payments for capital assets	**-**	**-**	**2 000**	**2 000**	**2 000**	**-**	**100.0%**	**-**	**-**
Buildings and other fixed structures	-	-	2 000	2 000	2 000	-	100.0%	-	-
Total	**2 361 471**	**-**	**-12 411**	**2 349 060**	**2 259 604**	**89 456**	**96.2%**	**2 063 323**	**2 087 907**

Sub-Programme 5.2: Provincial Tertiary Hospitals

Economic Classification	2016/17							2015/16	
	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	**2 166 105**	**-**	**-9 581**	**2 156 524**	**2 223 752**	**-67 228**	**103.1%**	**2 001 200**	**2 011 441**
Compensation of employees	1 533 673	-	-10 495	1 523 178	1 523 178	-	100.0%	1 375 728	1 420 191
Goods and services	632 432	-	914	633 346	700 574	-67 228	110.6%	625 472	591 122
Interest and rent on land	-	-	-	-	-	-	-	-	128
Transfers and subsidies	**7 763**	**-**	**9 409**	**17 172**	**39 594**	**-22 422**	**230.6%**	**21 332**	**23 552**
Departmental agencies and accounts	29	-	-29	-	-	-	-	29	-
Households	7 734	-	9 438	17 172	39 594	-22 422	230.6%	21 303	23 552
Payments for capital assets	**5 500**	**-**	**5 901**	**11 401**	**11 207**	**194**	**98.3%**	**2 746**	**2 029**
Machinery and equipment	5 500	-	5 901	11 401	11 207	194	98.3%	2 746	2 029
Total	**2 179 368**	**-**	**5 729**	**2 185 097**	**2 274 553**	**-89 456**	**104.1%**	**2 025 278**	**2 037 022**

PROGRAMME 6: HEALTH SCIENCES & TRAINING

	2016/17							2015/16	
	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
Nursing Training Colleges	281 482	-	-5 855	275 627	275 229	398	99.9%	279 398	277 502
EMS Training College	19 176	-	-2 634	16 542	16 542	-	100.0%	5 298	5 326
Bursaries	321 010	-	1 366	322 376	322 878	-502	100.2%	280 683	280 604
Primary Health care Training	41 230	-	-2 095	39 135	39 135	-	100.0%	40 900	41 069
Training Other	552 252	-	-4 858	547 394	547 290	104	100.0%	452 543	454 321
Total	**1 215 150**	**-**	**-14 076**	**1 201 074**	**1 201 074**	**-**	**100.0%**	**1 058 822**	**1 058 822**

Economic Classification	2016/17							2015/16	
	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	**900 305**	**-**	**-13 204**	**887 101**	**887 101**	**-**	**100.0%**	**781 531**	**773 468**
Compensation of employees	831 000	-	-9 785	821 215	821 215	-	100.0%	719 538	721 247
Salaries and wages	791 879	-	-9 166	782 713	782 713	-	100.0%	684 173	685 882
Social contributions	39 121	-	-619	38 502	38 502	-	100.0%	35 365	35 365
Goods and services	69 305	-	-3 422	65 883	65 883	-	100.0%	61 993	52 219
Administrative fees	528	-	-	528	516	12	97.7%	371	371
Advertising	47	-	-	47	106	-59	225.5%	76	76
Minor assets	359	-	-76	283	192	91	67.8%	208	206
Bursaries: Employees	2 229	-	-215	2 014	1 854	160	92.1%	2 438	2 438
Catering: Departmental activities	386	-	-	386	388	-2	100.5%	413	413
Communication (G&S)	752	-	-	752	753	-1	100.1%	697	697
Computer services	200	-	-	200	191	9	95.5%	138	138
Consultants: Business and advisory services	300	-	-	300	12	288	4.0%	53	53
Legal services	-	-	-	-	-	-	-	69	69
Contractors	7	-	-	7	2	5	28.6%	2	2
Agency and support / outsourced services	-	-	-	-	11	-11	-	22	22
Fleet services (including government motor transport)	1 740	-	628	2 368	2 547	-179	107.6%	2 361	2 361
Inventory: Clothing material and accessories	17	-	-	17	19	-2	111.8%	128	128
Inventory: Fuel, oil and gas	-	-	-	-	14	-14	-	126	126
Inventory: Learner and teacher support material	1 027	-	-802	225	222	3	98.7%	170	170
Inventory: Materials and supplies	18	-	-3	15	17	-2	113.3%	34	34
Inventory: Medical supplies	74	-	-	74	75	-1	101.4%	139	139
Consumable supplies	1 501	-	-5	96	352	144	90.4%	1 376	1 376

Economic Classification	2016/17							2015/16	
	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
Consumable: Stationery, printing office supplies	3 127	-	-1 205	1 922	1 824	98	94.9%	2 049	2 049
Operating leases	1 570	-	-3	1 567	1 337	230	85.3%	1 402	1 402
Property payments	6 922	-	-110	6 812	6 591	221	96.8%	7 330	7 330
Travel and subsistence	34 607	-	-58	34 549	34 296	253	99.3%	30 024	22 344
Training and development	13 709	-	-1 573	12 136	12 866	-730	106.0%	9 151	9 151
Operating payments	175	-	-	175	298	-123	170.3%	749	749
Venues and facilities	10	-	-	10	400	-390	4000.0%	2 467	375
Interest and rent on land	-	-	3	3	3	-	100.0%	-	2
Interest (Incl. interest on unitary payments (PPP))	-	-	3	3	3	-	100.0%	-	2
Transfers and subsidies	**312 826**	**-**	**625**	**313 451**	**313 940**	**-489**	**100.2%**	**273 909**	**285 248**
Provinces and municipalities	-	-	-	-	-	-	-	-	28
Provinces	-	-	-	-	-	-	-	-	28
Provincial Revenue Funds	-	-	-	-	-	-	-	-	28
Departmental agencies and accounts	19 842	-	-	19 842	19 842	-	100.0%	18 863	18 863
Departmental agencies (non-business entities)	19 842	-	-	19 842	19 842	-	100.0%	18 863	18 863
Households	292 984	-	625	293 609	294 098	-489	100.2%	255 046	266 357
Social benefits	3 091	-	-956	2 135	2 135	-	100.0%	2 014	3 632
Other transfers to households	289 893	-	1 581	291 474	291 963	-489	100.2%	253 032	262 725
Payments for capital assets	**2 019**	**-**	**-1 497**	**522**	**33**	**489**	**6.3%**	**3 375**	**99**
Machinery and equipment	2 019	-	-1 497	522	33	489	6.3%	3 375	99
Transport equipment	2 000	-	-1 497	503	-	503	-	2 000	-
Other machinery and equipment	19	-	-	19	33	-14	173.7%	1 375	99
Payment for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**7**	**7**
Total	**1 215 150**	**-**	**-14 076**	**1 201 074**	**1 201 074**	**-**	**100.0%**	**1 058 822**	**1 058 822**

Sub-Programme 6.1: Nursing Training Colleges

Economic classification	2016/17							2015/16	
	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	**276 781**	**-**	**-3 011**	**273 770**	**273 861**	**-91**	**100.0%**	**274 343**	**274 345**
Compensation of employees	263 000	-	-3 013	259 987	259 987	-	100.0%	259 257	259 257
Goods and services	13 781	-	-	13 781	13 872	-91	100.7%	15 086	15 086
Interest and rent on land	-	-	2	2	2	-	100.0%	-	2
Transfers and subsidies	**2 682**	**-**	**-1 347**	**1 335**	**1 335**	**-**	**100.0%**	**1 705**	**3 085**
Households	2 682	-	-1 347	1 335	1 335	-	100.0%	1 705	3 085
Payments for capital assets	**2 019**	**-**	**-1 497**	**522**	**33**	**489**	**6.3%**	**3 350**	**72**
Machinery and equipment	2 019	-	-1 497	522	33	489	6.3%	3 350	72
Total	**281 482**	**-**	**-5 855**	**275 627**	**275 229**	**398**	**99.9%**	**279 398**	**277 502**

Sub-Programme 6.2: EMS Training Colleges

Economic Classification	2016/17							2015/16	
	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	**19 176**	**-**	**-2 634**	**16 542**	**16 542**	**-**	**100.0%**	**5 273**	**5 273**
Compensation of employees	18 000	-	-3 262	14 738	14 738	-	100.0%	2 877	2 877
Goods and services	1 176	-	628	1 804	1 804	-	100.0%	2 396	2 396
Transfers and subsidies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**28**
Provinces and municipalities	-	-	-	-	-	-	-	-	28
Payments for capital assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**25**	**25**
Machinery and equipment	-	-	-	-	-	-	-	25	25
Total	**19 176**	**-**	**-2 634**	**16 542**	**16 542**	**-**	**100.0%**	**5 298**	**5 326**

Sub-Programme 6.3: Bursaries

Economic Classification	2016/17							2015/16	
	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	**31 117**	**-**	**-215**	**30 902**	**30 902**	**-**	**100.0%**	**27 644**	**17 870**
Goods and services	31 117	-	-215	30 902	30 902	-	100.0%	27 644	17 870
Transfers and subsidies	**289 893**	**-**	**1 581**	**291 474**	**291 976**	**-502**	**100.2%**	**253 032**	**262 725**
Households	289 893	-	1 581	291 474	291 976	-502	100.2%	253 032	262 725
Payments for capital assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2**
Machinery and equipment	-	-	-	-	-	-	-	-	2
Payment for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**7**	**7**
Total	**321 010**	**-**	**1 366**	**322 376**	**322 878**	**-502**	**100.2%**	**280 683**	**280 604**

Sub-Programme 6.4: Primary Health Care Training

Economic Classification	2016/17							2015/16	
	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	**40 921**	**-**	**-2 296**	**38 625**	**38 625**	**-**	**100.0%**	**40 700**	**40 700**
Compensation of employees	36 000	-	-2 185	33 815	33 815	-	100.0%	36 270	36 270
Goods and services	4 921	-	-111	4 810	4 810	-	100.0%	4 430	4 430
Transfers and subsidies	**309**	**-**	**201**	**510**	**510**	**-**	**100.0%**	**200**	**369**
Households	309	-	201	510	510	-	100.0%	200	369
Total	**41 230**	**-**	**-2 095**	**39 135**	**39 135**	**-**	**100.0%**	**40 900**	**41 069**

Sub-Programme 6.5: Training Other

Economic Classification	2016/17							2015/16	
	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	**532 310**	**-**	**-5 048**	**527 262**	**527 171**	**91**	**100.0%**	**433 571**	**435 280**
Compensation of employees	514 000	-	-1 325	512 675	512 675	-	100.0%	421 134	422 843
Goods and services	18 310	-	-3 724	14 586	14 495	91	99.4%	12 437	12 437
Interest and rent on land	-	-	1	1	1	-	100.0%	-	-
Transfers and subsidies	**19 942**	**-**	**190**	**20 132**	**20 119**	**13**	**99.9%**	**18 972**	**19 041**
Departmental agencies and accounts	19 842	-	-	19 842	19 842	-	100.0%	18 863	18 863
Households	100	-	190	290	277	13	95.5%	109	178
Total	**552 252**	**-**	**-4 858**	**547 394**	**547 290**	**104**	**100.0%**	**452 543**	**454 321**

PROGRAMME 7 : HEALTH CARE SUPPORT SERVICES

	2016/17							2015/16	
	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
Laundry Services	279 884	-	-15 281	264 603	241 603	23 000	91.3%	112 512	134 153
Orthotic & Prosthetic Services	46 603	-	-10 838	35 765	27 165	8 600	76.0%	34 008	31 942
	326 487	**-**	**-26 119**	**300 368**	**268 768**	**31 600**	**89.5%**	**146 520**	**166 095**

Economic Classification	2016/17							2015/16	
	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	**312 307**	**-**	**-22 184**	**290 123**	**268 086**	**22 037**	**92.4%**	**135 485**	**165 637**
Compensation of employees	97 900	-	-577	97 323	94 283	3 040	96.9%	94 149	90 967
Salaries and wages	80 063	-	-600	79 463	77 184	2 279	97.1%	77 680	74 205
Social contributions	17 837	-	23	17 860	17 099	761	95.7%	16 469	16 762
Goods and services	214 407	-	-21 607	192 800	173 803	18 997	90.1%	41 336	74 670
Administrative fees	1	-	-	1	1	-	100.0%	1	1
Advertising	55	-	-	55	45	10	81.8%	59	59
Minor assets	13	-	-	13	13	-	100.0%	282	117
Communication (G&S)	815	-	-	815	895	-80	109.8%	299	299
Consultants: Business and advisory services	-	-	-	-	-	-	-	-4	-4
Contractors	50	-	-	50	10	40	20.0%	508	508
Agency and support / outsourced services	25	-	-	25	-	25	-	-	-
Fleet services (including government motor transport)	3 622	-	-	3 622	4 270	-648	117.9%	4 464	4 367
Inventory: Clothing material and accessories	511	-	-	511	859	-348	168.1%	849	849
Inventory: Fuel, oil and gas	7 077	-	-640	6 437	4 156	2 281	64.6%	2 548	2 466
Inventory: Materials and supplies	150	-	-	150	103	47	68.7%	393	393
Inventory: Medical supplies	12 990	-	-8 526	4 464	4 464	-	100.0%	11 486	10 264
Inventory: Other supplies	-	-	-	-	-	-	-	168	168
Consumable supplies	163 862	-	-10 201	153 661	134 686	18 975	87.7%	7 050	33 099
Consumable: Stationery, printing and office supplies	209	-	-	209	179	30	85.6%	49	49
Operating leases	116	-	-	116	101	15	87.1%	125	125

Economic Classification	2016/17							2015/16	
	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
Property payments	15 845	-	-2 240	13 605	13 601	4	100.0%	11 424	11 006
Travel and subsistence	66	-	-	66	60	6	90.9%	78	78
Operating payments	9 000	-	-	9 000	10 360	-1 360	115.1%	1 557	10 826
Transfers and subsidies	**680**	**-**	**-44**	**636**	**636**	**-**	**100.0%**	**303**	**244**
Households	680	-	-44	636	636	-	100.0%	303	244
Social benefits	680	-	-44	636	636	-	100.0%	303	244
Payments for capital assets	**13 500**	**-**	**-3 891**	**9 609**	**46**	**9 563**	**0.5%**	**10 732**	**214**
Machinery and equipment	13 500	-	-3 891	9 609	46	9 563	0.5%	10 732	214
Transport equipment	3 000	-	-2 000	1 000	-	1 000	-	2 000	136
Other machinery and equipment	10 500	-	-1 891	8 609	46	8 563	0.5%	8 732	78
Total	**326 487**	**-**	**-26 119**	**300 368**	**268 768**	**31 600**	**89.5%**	**146 520**	**166 095**

Sub-Programme 7.1: Laundry Services

Economic Classification	2016/17							2015/16	
	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	**275 784**	**-**	**-12 849**	**262 935**	**240 935**	**22 000**	**91.6%**	**101 482**	**133 797**
Compensation of employees	77 000	-	-	77 000	73 997	3 003	96.1%	74 290	71 404
Goods and services	198 784	-	-12 849	185 935	166 938	18 997	89.8%	27 192	62 393
Transfers and subsidies	**600**	**-**	**22**	**622**	**622**	**-**	**100.0%**	**298**	**142**
Households	600	-	22	622	622	-	100.0%	298	142
Payments for capital assets	**3 500**	**-**	**-2 454**	**1 046**	**46**	**1 000**	**4.4%**	**10 732**	**214**
Machinery and equipment	3 500	-	-2 454	1 046	46	1 000	4.4%	10 732	214
Total	**279 884**	**-**	**-15 281**	**264 603**	**241 603**	**23 000**	**91.3%**	**112 512**	**134 153**

Sub-Programme 7.2: Orthotic & Prosthetic Services

Economic Classification	2016/17							2015/16	
	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	**36 523**	**-**	**-9 335**	**27 188**	**27 151**	**37**	**99.9%**	**34 003**	**31 840**
Compensation of employees	20 900	-	-577	20 323	20 286	37	99.8%	19 859	19 563
Goods and services	15 623	-	-8 758	6 865	6 865	-	100.0%	14 144	12 277
Transfers and subsidies	**80**	**-**	**-66**	**14**	**14**	**-**	**100.0%**	**5**	**102**
Households	80	-	-66	14	14	-	100.0%	5	102
Payments for capital assets	**10 000**	**-**	**-1 437**	**8 563**	**-**	**8 563**	**-**	**-**	**-**
Machinery and equipment	10 000	-	-1 437	8 563	-	8 563	-	-	-
Total	**46 603**	**-**	**-10 838**	**35 765**	**27 165**	**8 600**	**76.0%**	**34 008**	**31 942**

PROGRAMME 8:HEALTH FACILITIES MANAGEMENT

	2016/17							2015/16	
	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
Community Health Facilities	149 930	-	-20 640	129 290	142 856	-13 566	110.5%	184 965	184 965
District Hospital Services	156 784	-	-5 172	151 612	165 189	-13 577	109.0%	207 502	207 502
Provincial Hospital Services	901 073	-	-10 245	890 828	863 523	27 305	96.9%	848 813	848 813
Central Hospital Services	53 535	-	-28 183	25 352	22 601	2 751	89.1%	29 896	29 896
Other Facilities	257 193	-	-33 700	223 493	226 406	-2 913	101.3%	246 442	246 442
Total	**1 518 515**	**-**	**-97 940**	**1 420 575**	**1 420 575**	**-**	**100.0%**	**1 517 618**	**1 517 618**

Economic Classification	2016/17							2015/16	
	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	**418 056**	**-**	**1 539**	**419 595**	**419 726**	**-131**	**100.0%**	**357 807**	**375 853**
Compensation of employees	42 942	-	80	43 022	43 022	-	100.0%	33 605	33 986
Salaries and wages	41 571	-	252	41 823	41 823	-	100.0%	32 826	33 243
Social contributions	1 371	-	-172	1 199	1 199	-	100.0%	779	743
Goods and services	375 114	-	1 459	376 573	376 704	-131	100.0%	324 202	341 867
Administrative fees	3	-	-	3	7	-4	233.3%	2	2
Advertising	-	-	-	-	-	-	-	228	228
Minor assets	5 587	-	-	5 587	3 964	1 623	71.0%	12 762	11 316
Communication (G&S)	-	-	-	-	-	-	-	53	53
Computer services	-	-	-	-	-	-	-	211	211
Consultants: Business and advisory services	45	-	-	45	157	-112	348.9%	1 163	2 590
Infrastructure and planning services	-	-	-	-	61	-61	-	-	-
Legal services	-	-	-	-	528	-528	-	-	-
Contractors	108 243	-	-	243	109 662	-1 419	101.3%	79 565	82 313
Inventory: Clothing material and accessories	-	-	-	-	17	-17	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	34	-34	-	205	205
Inventory: Materials and supplies	3 752	-	-	3 752	1 403	2 349	37.4%	2 552	4 685
Inventory: Medical supplies	3 872	-	-	3 872	1 403	2 469	36.2%	5 709	12 749
Inventory: Medicine	2	-	-	2	-	2	-	-	28
Consumable supplies	32 150	-	-	32 150	31 187	963	97.0%	32 034	32 034
Consumable: Stationery, printing and office supplies	13	-	-	13	71	-58	546.2%	160	160

Economic Classification	2016/17							2015/16	
	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
Operating leases	98 301	-	-	98 301	83 109	15 192	84.5%	87 257	87 257
Property payments	122 919	-	1 459	124 378	144 797	-20 419	116.4%	101 440	107 175
Travel and subsistence	227	-	-	227	302	-75	133.0%	561	561
Training and development	-	-	-	-	1	-1	-	12	12
Operating payments	-	-	-	-	1	-1	-	288	288
Transfers and subsidies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**20 000**	**20 000**
Non-profit institutions	-	-	-	-	-	-	-	20 000	20 000
Payments for capital assets	**1 100 459**	**-**	**-99 479**	**1 000 980**	**1 000 849**	**131**	**100.0%**	**1 139 811**	**1 121 765**
Buildings and other fixed structures	900 496	-	29	900 525	908 917	-8 392	100.9%	1 057 766	1 052 053
Buildings	900 496	-	29	900 525	908 917	-8 392	100.9%	1 052 938	1 047 225
Other fixed structures	-	-	-	-	-	-	-	4 828	4 828
Machinery and equipment	199 963	-	-99 508	100 455	91 932	8 523	91.5%	82 045	69 712
Other machinery and equipment	199 963	-	-99 508	100 455	91 932	8 523	91.5%	82 045	69 712
Total	**1 518 515**	**-**	**-97 940**	**1 420 575**	**1 420 575**	**-**	**100.0%**	**1 517 618**	**1 517 618**

Sub-Programme 8.1: Community Health Facilities

Economic classification	2016/17							2015/16	
	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	**69 941**	**-**	**-**	**69 941**	**74 492**	**-4 551**	**106.5%**	**55 228**	**55 268**
Goods and services	69 941	-	-	69 941	74 492	-4 551	106.5%	55 228	55 268
Payments for capital assets	**79 989**	**-**	**-20 640**	**59 349**	**68 364**	**-9 015**	**115.2%**	**129 737**	**129 697**
Buildings and other fixed structures	39 383	-	-	39 383	56 790	-17 407	144.2%	121 671	121 671
Machinery and equipment	40 606	-	-20 640	19 966	11 574	8 392	58.0%	8 066	8 026
Total	**149 930**	**-**	**-20 640**	**129 290**	**142 856**	**-13 566**	**110.5%**	**184 965**	**184 965**

Sub-Programme 8.2: District Hospital Services

Economic Classification	2016/17							2015/16	
	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	**77 167**	**-**	**1 459**	**78 626**	**85 880**	**-7 254**	**109.2%**	**61 313**	**72 307**
Goods and services	77 167	-	1 459	78 626	85 880	-7 254	109.2%	61 313	72 307
Payments for capital assets	**79 617**	**-**	**-6 631**	**72 986**	**79 309**	**-6 323**	**108.7%**	**146 189**	**135 195**
Buildings and other fixed structures	46 406	-	-	46 406	52 729	-6 323	113.6%	121 812	116 099
Machinery and equipment	33 211	-	-6 631	26 580	26 580	-	100.0%	24 377	19 096
Total	**156 784**	**-**	**-5 172**	**151 612**	**165 189**	**-13 577**	**109.0%**	**207 502**	**207 502**

Sub-Programme 8.3: Provincial Hospital Services

Economic Classification	2016/17							2015/16	
	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	**95 860**	**-**	**-**	**95 860**	**97 292**	**-1 432**	**101.5%**	**89 618**	**91 815**
Goods and services	95 860	-	-	95 860	97 292	-1 432	101.5%	89 618	91 815
Payments for capital assets	**805 213**	**-**	**-10 245**	**794 968**	**766 231**	**28 737**	**96.4%**	**759 195**	**756 998**
Buildings and other fixed structures	750 232	-	-	750 232	721 626	28 606	96.2%	720 852	720 852
Machinery and equipment	54 981	-	-10 245	44 736	44 605	131	99.7%	38 343	36 146
Total	**901 073**	**-**	**-10 245**	**890 828**	**863 523**	**27 305**	**96.9%**	**848 813**	**848 813**

Sub-Programme 8.4: Central Hospital Services

Economic Classification	2016/17							2015/16	
	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	**20 784**	**-**	**-**	**20 784**	**18 033**	**2 751**	**86.8%**	**14 296**	**18 730**
Goods and services	20 784	-	-	20 784	18 033	2 751	86.8%	14 296	18 730
Payments for capital assets	**32 751**	**-**	**-28 183**	**4 568**	**4 568**	**-**	**100.0%**	**15 600**	**11 166**
Buildings and other fixed structures	235	-	-	235	235	-	100.0%	4 828	4 828
Machinery and equipment	32 516	-	-28 183	4 333	4 333	-	100.0%	10 772	6 338
Total	**53 535**	**-**	**-28 183**	**25 352**	**22 601**	**2 751**	**89.1%**	**29 896**	**29 896**

Sub-Programme 8.5: Other Facilities

Economic Classification	2016/17							2015/16	
	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	**154 304**	**-**	**80**	**154 384**	**144 029**	**10 355**	**93.3%**	**137 352**	**137 733**
Compensation of employees	42 942	-	80	43 022	43 022	-	100.0%	33 605	33 986
Goods and services	111 362	-	-	111 362	101 007	10 355	90.7%	103 747	103 747
Transfers and subsidies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**20 000**	**20 000**
Non-profit institutions	-	-	-	-	-	-	-	20 000	20 000
Payments for capital assets	**102 889**	**-**	**-33 780**	**69 109**	**82 377**	**-13 268**	**119.2%**	**89 090**	**88 709**
Buildings and other fixed structures	64 240	-	29	64 269	77 537	-13 268	120.6%	88 603	88 603
Machinery and equipment	38 649	-	-33 809	4 840	4 840	-	100.0%	487	106
Total	**257 193**	**-**	**-33 700**	**223 493**	**226 406**	**-2 913**	**101.3%**	**246 442**	**246 442**

NOTES TO THE APPROPRIATION STATEMENT

For the year ending 31 March 2017

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

Detail of these transactions can be viewed in note on 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 payments for financial assets:

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

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

4.1 Per Programme:

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
ADMINISTRATION	**845 674**	**845 674**	**0**	**0.00%**
Spending balanced are Virement applied				
DISTRICT HEALTH SERVICES	**17 709 086**	**17 723 971**	**-14 885**	**-0.08%**
Overspending within the HIV / AIDS sub-programmes and District Hospitals. The main reason is for the purchase of medicines and the increase in the cost for tests.				
EMERGENCY MEDICAL SERVICES	**1 209 263**	**1 209 263**	**0**	**0.00%**
Spending balanced after Virement applied.				
PROVINCIAL HOSPITAL SERVICES	**9 818 803**	**9 822 915**	**-4 112**	**-0.04%**
Overspending within the TB Hospitals sub-programs and District Hospital. The main reason is for the purchase of medicines and the increase in the cost for tests.				
CENTRAL HOSPITAL SERVICES	**4 534 157**	**4 534 157**	**0**	**0.00%**
Spending balanced after Virement applied.				
HEALTH SCIENCES AND TRAINING	**1 201 074**	**1 201 074**	**0**	**0.00%**
Spending balanced after Virement applied.				
HEALTH CARE SUPPORT SERVICES	**300 368**	**268 768**	**31 600**	**10.52%**
Underspending on this programme is mainly due to consumables, machinery and equipment where orders have been placed and not yet received at year end. The cost containment was also applied as per Provincial Treasury circular.				
HEALTH FACILITIES MANAGEMENT	**1 420 575**	**1 420 575**	**0**	**0.00%**
Spending balanced after Virement applied.				

		Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
4.2	**Per economic classification:**	**R'000**	**R'000**	**R'000**	**%**
	Current expenditure				
	Compensation of employees	23 354 896	23 354 896	0	0.00%
	Goods and services	11 377 713	11 382 844	-5 131	-0.05%
	Interest and rent on land	2 122	2 122	0	0.00%
	Transfers and subsidies				
	Provinces and municipalities	226 791	159 755	67 036	29.56%
	Departmental agencies and accounts	20 131	20 131	0	0.00%
	Non-profit institutions	203 313	203 929	0	0
	Households	438 100	651 842	0	0
	Payments for capital assets				
	Buildings and other fixed structures	902 525	910 917	-8 392	-0.93%
	Machinery and equipment	405 802	195 397	210 405	51.85%
	Payments for financial assets	107 607	144 564	-36 957	-34.34%

Saving has been applied in respect of the Cost Containment Circular.

		Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
4.3	**Per conditional grant**	**R'000**	**R'000**	**R'000**	**%**
	Health				
	National Tertiary Services Grant	1 596 286	1 596 286	0	0.00%
	Comprehensive HIV / AIDS Grant	4 244 243	4 247 525	-3 282	-0.08%
	Health Facility Revitalisation Grant	1 114 693	1 121 993	-7 300	-0.65%
	Health Professional & Training Grant	312 377	312 377	0	0.00%
	National Health Insurance	25 446	25 045	401	1.58%
	EPWP Grant for Social Sector	13 000	13 000	0	0.00%
	EPW Integrated Grant to Province	7 122	7 122	0	0.00%

Overspending on HIV and Revitalisation Grant is due to Rand / Dollar exchange rates for procurement of medicines and medical equipment.

STATEMENT OF FINANCIAL PERFORMANCE

For the year ending 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
REVENUE			
Annual appropriation	1	37 039 000	33 969 992
Department Revenue	2	298 104	243 594
TOTAL REVENUE		**37 337 104**	**34 213 586**
EXPENDITURE			
Current expenditure			
Compensation of employees	4	23 354 895	21 793 160
Goods and services	5	11 382 842	10 105 233
Interest and Rent on land	6	2 123	1 546
Total current expenditure		**34 739 860**	**31 899 939**
Transfers and subsidies			
Transfers and subsidies	8	1 035 658	843 093
Total transfers & subsidies		**1 035 658**	**843 093**
Expenditure for capital assets			
Tangible capital assets	9	1 106 315	1 257 629
Total expenditure for capital assets		**1 106 315**	**1 257 629**
Unauthorised expenditure approved without funding		107 607	- 107 607
Payments for Financial Assets	7	36 957	2 456
TOTAL EXPENDITURE		**37 026 397**	**34 110 724**
SURPLUS/ (DEFICIT) FOR THE YEAR		**310 707**	**102 862**
Reconciliation of Net Surplus/ (Deficit) for the year			
Voted Funds		12 603	(140 732)
Annual Appropriation		12 603	140 732
Departmental Revenue and NRF Receipts	15	298 104	243 594
SURPLUS / DEFICIT FOR THE YEAR		**310 707**	**102 862**

STATEMENT OF FINANCIAL POSITION

For the year ending 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
ASSETS			
Current Assets		**320 210**	**635 061**
Unauthorised expenditure	10	273 723	490 027
Cash and Cash Equivalent	11	297	364
Prepayments and advances	12	-	10
Receivables	13	46 190	144 660
Non-Current Assets		**2 421**	**31 887**
Receivables		2 421	31 887
TOTAL ASSETS		**322 631**	**666 948**
LIABILITIES			
Current Liabilities		**312 506**	**653 056**
Voted funds to be surrendered to the Revenue Fund	14	31 600	6 386
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	15	19 588	6 993
Bank overdraft	16	245 409	567 675
Payables	17	15 909	72 002
TOTAL LIABILITIES		**312 506**	**653 056**
NET ASSETS		**10 125**	**13 892**
Represented by:			
Recoverable revenue		10 125	13 892
TOTAL		**10 125**	**13 892**

STATEMENT OF CHANGES IN NET ASSETS

For the year ending 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
Recoverable revenue			
Opening balance		13 892	11 884
Transfers		(3 767)	2 008
Debts revised		-1 159	-658
Debts recovered (included in departmental receipts)		-23 177	-12 074
Debts raised		20 569	14 740
Closing balance		**10 125**	**13 892**

CASH FLOW STATEMENT

For the year ending 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		**37 336 134**	**34 213 586**
Annual appropriated funds received	1.1	37 039 000	33 969 992
Departmental revenue received	2	293 818	243 543
Interest received		3 316	51
Net (increase)/ decrease in working capital		288 157	36 005
Surrendered to Revenue Fund		(291 895)	(253 679)
Current payments		(34 826 347)	(31 858 881)
Interest paid		(2 123)	(1 546)
Payments for Financial Assets		(36 957)	(2 456)
Transfers and subsidies paid		(1 035 658)	(843 093)
Net cash flow available from operating activities	18	**1 431 311**	**1 289 936**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	9	(1 106 315)	(1 257 629)
Proceeds from sale of capital assets	2.4	970	-
Net cash flows from investing activities		**(1 105 345)**	**(1 257 629)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/ (decrease) in net assets		(3 767)	2 008
Net cash flows from financing activities		**(3 767)**	**2 008**
Net increase/ (decrease) in cash and cash equivalents		322 199	34 315
Cash and cash equivalents at beginning of period		(567 311)	(601 626)
Cash and cash equivalents at end of period	19	**(245 112)**	**(567 311)**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YAER ENDING 31 MARCH 2017

Summary of significant Accounting Policies

[Concepts and Principles, Financial Statement Presentation]

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.

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 (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

1	**Basis of preparation** ***[Financial Statement Presentation]*** The financial statements have been prepared in accordance with the Modified Cash Standard.
2	**Going concern** ***[Financial Statement Presentation]*** The financial statements have been prepared on a going concern basis.
3	**Presentation currency** ***[Financial Statement Presentation]*** Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.
4	**Rounding** ***[Financial Statement Presentation]*** Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
5	**Foreign currency translation** ***[Cash Flow Statement, Expenditure, Revenue]*** Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.
6	**Comparative information**
6.1	**Prior period comparative information** ***[Financial Statement Presentation]*** Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.
6.2	**Current year comparison with budget** ***[Appropriation Statement]*** A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.
7	**Revenue**
7.1	**Appropriated funds** ***[Revenue, General Departmental Assets and Liabilities]*** Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation). Appropriated funds are recognised in the statement of financial performance on the date the appropriation

	becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective. The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.
7.2	**Departmental revenue** ***[Revenue, General Departmental Assets and Liabilities]*** Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.
7.3	**Accrued departmental revenue** ***[General Departmental Assets and Liabilities]*** Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when: • It is probable that the economic benefits or service potential associated with the transaction will flow to the department; and • The amount of revenue can be measured reliably. The accrued revenue is measured at the fair value of the consideration receivable. Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents. Write-offs are made according to the department's debt write-off policy
8	**Expenditure**
8.1	**Compensation of employees**
8.1.1	**Salaries and wages** ***[Expenditure]*** Salaries and wages are recognised in the statement of financial performance on the date of payment.
8.1.2	**Social contributions** ***[Expenditure]*** Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment. Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.
8.2	**Other expenditure** ***[Expenditure]*** Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.
8.3	**Accruals and payables not recognised *[General Departmental Assets and Liabilities]*** Accruals and payables not recognised are recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the department or in the case of transfers and subsidies when they are due and payable. Accruals and payables not recognised are measured at cost.
8.4	**Leases**
8.4.1	**Operating leases** ***[Leases]*** Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.

	The operating lease commitments are recorded in the notes to the financial statements.
8.4.2	**Finance leases** ***[Leases]*** Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions. Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of: • Cost, being the fair value of the asset; or • The sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.
9	**Aid Assistance**
9.1	**Aid assistance received** ***[Revenue, General Departmental Assets and Liabilities]*** Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value. Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.
9.2	**Aid assistance paid** ***[Expenditure, General Departmental Assets and Liabilities]*** Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.
10	**Cash and cash equivalents** ***[General Departmental Assets and Liabilities, Cash Flow Statement]*** Cash and cash equivalents are stated at cost in the statement of financial position. Bank overdrafts are shown separately on the face of the statement of financial position as a current liability. 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.
11	**Prepayments and advances** ***[General Departmental Assets and Liabilities]*** Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost. <Indicate when prepayments are expensed and under what circumstances.>
12	**Payables** ***[General Departmental Assets and Liabilities]*** Loans and payables are recognised in the statement of financial position at cost.
13	**Capital Assets**
13.1	**Immovable capital assets** ***[Capital Assets]*** Immovable capital assets are initially recorded in the notes to the financial statements at cost. Immovable capital assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition. Where the cost of immovable capital assets cannot be determined reliably, the immovable capital assets are measured at fair value for recording in the asset register. Immovable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the immovable asset is recorded by another department in which case the completed project costs

	are transferred to that department.
13.2	**Movable capital assets** ***[Capital Assets]*** Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.
13.3	**Intangible assets** ***[Capital Assets]*** Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition. Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project. Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another department/entity in which case the completed project costs are transferred to that department.
14	**Provisions and Contingents**
14.1	**Provisions** ***[Provisions and Contingents]*** Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.
14.2	**Contingent liabilities** ***[Provisions and Contingents]*** Contingent liabilities are recorded in the notes to the financial statements when there 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 within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.
14.3	**Contingent assets** ***[Provisions and Contingents]*** Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.
14.4	**Commitments** ***[Provisions and Contingents]*** Commitments (other than for transfers and subsidies) are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will

	result in the outflow of cash.
15	**Unauthorised expenditure** ***[General Departmental Assets and Liabilities]*** Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either: • Approved by Parliament or the Provincial Legislature with funding and the related funds are received; or • Approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or • Transferred to receivables for recovery. Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.
16	**Fruitless and wasteful expenditure** ***[General Departmental Assets and Liabilities]*** Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred. Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery. Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.
17	**Irregular expenditure** ***[General Departmental Assets and Liabilities]*** Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note. Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable. Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.
18	**Changes in accounting policies, accounting estimates and errors** ***[Accounting Policies, Estimates and Errors]*** Changes in accounting policies that are affected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable. Changes in accounting estimates are applied prospectively in accordance with MCS requirements. Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.
19	**Events after the reporting date** ***[Events after the Reporting Date]*** Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.
20	**Recoverable revenue** Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.
21	**Related party transactions** ***[Related Party Disclosures]***

	A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length. Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.
22	**Inventories** ***(Effective from date determined in a Treasury Instruction)*** ***[Inventories]*** At the date of acquisition, inventories are recorded at cost price in the statement of financial performance. Where inventories are acquired as part of a non-exchange transaction, the cost of inventory is its fair value at the date of acquisition. Inventories are subsequently measured at the lower of cost and net realisable value or the lower of cost and current replacement value. Subsequent measurement of the cost of inventory is determined on the weighted average basis.
23	**Public-Private Partnerships** ***[Financial Statement Presentation]*** Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies. A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.
24	**Employee benefits** ***[General Departmental Assets and Liabilities]*** ***[Provisions and Contingents]*** The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.

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	2016/17 Actual Funds received R'000	Funds not requested/ not received R'000	Final Appropriation R'000	Appropriation received 2015/16 R'000
Administration	845 674	845 674	-	772 256	772 256
District Health Services	17 709 086	17 709 086	-	15 998 251	15 998 251
Emergency Medical Services	1 209 263	1 209 263	-	1 174 378	1 174 378
Provincial Hospital Services	9 818 803	9 818 803	-	9 213 546	9 213 546
Central Hospital Services	4 534 157	4 534 157	-	4 088 601	4 088 601
Health Sciences and Training	1 201 074	1 201 074	-	1 058 822	1 058 822
Health Care Support Services	300 368	300 368	-	146 520	146 520
Health Facilities Management	1 420 575	1 420 575	-	1 517 618	1 517 618
Total	**37 039 000**	**37 039 000**	**-**	**33 969 992**	**33 969 992**

1.2 Conditional grants

	Note	2016/17 R'000	2015/16 R'000
Total grants received	*Annexure 1A*	7 313 167	6 905 045
Provincial Grants included in Total grants received		**-**	**-**

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

2. Departmental Revenue

		2016/17 R'000	2015/16 R'000
Sales of goods and services other than capital assets	*2.1*	256 922	213 371
Fines, penalties and forfeits	*2.2*	36	54
Interest, dividends and rent on land	*2.3*	3 316	51
Sales of capital assets	*2.4*	970	-
Transactions in financial assets and liabilities	*2.5*	36 860	30 118
Total Revenue Collected		**298 104**	**243 594**
Departmental revenue collected		**298 104**	**243 594**

			2016/17 R'000	2015/16 R'000
2.1	Sales of goods and services other than capital assets	2		
	Sales of goods and services produced by the department		**246 707**	**212 169**
	Sales by market establishment		14 848	13 727
	Administrative Fees		6 382	5 066
	Other sales		225 477	193 376
	Sales of scrap, waste and other used current goods		10 215	1 202
	Total		**256 922**	**213 371**
2.2	Fines, penalties and forfeits	2		
Penalties			36	53
Forfeits			-	1
Total			**36**	**54**
2.3	Interest, dividends and rent on land	2		
	Interest		**3 316**	**51**
2.4	Sales of capital assets	2		
	Tangible Assets		**970**	-
	Machinery and Equipment	2	970	-
2.5	Transactions in Financial assets and liabilities	2		
	Receivables		36 838	12 721
Stale cheques written back			-	1
	Other receipts including recoverable revenue		22	17 396
	Total		**36 860**	**30 118**

3. Aid assistance

3.1	Opening Balance	-	-
	Prior period error	-	-
	As restated	-	-
	Transferred from statement of financial performance	-	-
	Paid during the year	-	-
	Closing balance	**-**	**-**

			2016/17 R'000	2015/16 R'000
4.	**Compensation of employees**			
4.1	**Salaries and wages**			
	Basic Salary		15 253 357	14 294 272
	Performance award		4 544	1 187
	Service Based		24 803	24 197
	Compensative/circumstantial		2 101 818	1 918 192
	Periodic payments		32 656	33 333
	Other non-pensionable allowances		2 998 266	2 743 645
	Total		**20 415 444**	**19 014 826**
4.2	**Social contributions**			
	Employer contributions			
	Pension		1 855 172	1 746 310
	Medical		1 078 939	1 026 739
	UIF		219	136
	Bargaining council		5 121	5 149
	Total		**2 939 451**	**2 778 334**
	Total compensation of employees		**23 354 895**	**21 793 160**
	Average number of employees		**81 969**	**83 025**
5.	**Goods and services**			
	Administrative fees		3 358	3 731
	Advertising		23 118	27 183
	Minor Assets	5.1	32 051	28 301
	Bursaries (employees)		1 892	2 498
	Catering		5 029	3 929
	Communication		116 890	98 597
	Computer services	5.2	163 632	150 913
	Laboratory services		1 618 866	1 356 456
	Legal services		34 844	17 805
	Contractors		212 791	144 985
	Agency and support / outsourced services		1 096 610	1 250 267
	Entertainment		8	2
	Audit cost - External	5.3	15 596	21 174
	Fleet services		301 898	290 150
	Inventory	5.4	5 384 928	4 632 216
	Consumables	5.5	509 617	415 223
	Operating leases		139 456	153 498
	Property payments	5.6	1 518 449	1 293 153
	Transport provided as part of the departmental activities		79 853	81 119
	Travel and subsistence	5.7	83 199	79 972
	Venues and facilities		1 439	4 169
	Training and development		16 791	13 252
	Other operating expenditure	5.8	22 527	36 640
	Total		**11 382 842**	**10 105 233**

		Note	2016/17 R'000	2015/16 R'000
5.1	**Minor Assets**	5		
	Tangible assets		**32 051**	**28 301**
	Machinery and equipment		32 051	28 301
	Total		**32 051**	**28 301**

		Note	2016/17 R'000	2015/16 R'000
5.2	**Computer services**			
	SITA computer services	5	138 383	140 320
	External computer service providers		25 249	10 593
	Total		**163 632**	**150 913**

		Note	2016/17 R'000	2015/16 R'000
5.3	**Audit cost – external**	5		
	Regulatory audits		15 596	21 174
	Total		**15 596**	**21 174**

		Note	2016/17 R'000	2015/16 R'000
5.4	**Inventory**	5		
	Food and food supplies		121 051	118 786
	Fuel, oil and gas		140 417	117 921
	Materials and supplies		21 840	19 178
	Medical supplies		1 545 564	1 479 183
	Medicine		3 556 056	2 897 148
	Total		**5 384 928**	**4 632 216**

		Note	2016/17 R'000	2015/16 R'000
5.5	**Consumables**	5		
	Consumable supplies		420 534	320 294
	Uniform and clothing		98 130	100 634
	Household supplies		288 637	189 633
	Building material and supplies		30 669	28 701
	IT consumables		819	746
	Other consumables		2 279	580
	Stationery, printing and office supplies		89 083	94 929
	Total		**509 617**	**415 223**

		Note	2016/17 R'000	2015/16 R'000
5.6	**Property Payment**	5		
	Municipal Services		529 771	470 634
	Property maintenance and repairs		144 968	107 218
	Other		843 710	715 301
	Total		**1 518 449**	**1 293 153**

		Note	2016/17 R'000	2015/16 R'000
5.7	**Travel and subsistence**	5		
	Local		55 222	65 806
	Foreign		27 977	14 166
	Total		**83 199**	**79 972**

		Note	2016/17 R'000	2015/16 R'000
5.8	**Other operating expenditure**	5		
	Professional bodies, membership and subscription fees		2 153	2 408
	Resettlement costs		7 901	14 290
	Other		12 473	19 942
	Total		**22 527**	**36 640**

		2016/17 R'000	2015/16 R'000
6.	**Interest and Rent on Land**		
	Interest paid	2 123	1 546
	Total	**2 123**	**1 546**

		Note	2016/17 R'000	2015/16 R'000
7.	**Payment for Financial Assets**			
	Material losses through criminal conduct		-	4
	Theft		-	4
	Other material losses written off		30	2 452
	Debts written off		36 927	-
	Total		**36 957**	**2 456**

		2016/17 R'000	2015/16 R'000
7.1	**Other material losses written off**	7	
	Nature of losses		
	Accommodation no shows	-	9
	Lost Oxygen Cylinders	-	2 418
	Expired Inventory	30	25
	Total	**30**	**2 452**

		2016/17 R'000	2015/16 R'000
7.2	**Debts written off**	7	
	Nature of debts written off		
	Debts written off		
		36 927	-
	Total	**36 927**	**-**

			2016/17 R'000	2015/16 R'000
7.3	**Details of theft**	7		
	Nature of theft			
			-	4
	Total		**-**	**4**

		Note	2016/17 R'000	2015/16 R'000
8.	**Transfers and subsidies**			
	Provinces and municipalities	Annexure 1B	159 754	133 329
	Departmental agencies and accounts	Annexure 1C	20 130	19 009
	Public corporations and private enterprises		-	10
	Non-profit institution	Annexure 1E	203 929	213 403
	Households	Annexure 1F	651 845	477 342
	Total		**1 035 658**	**843 093**

		Note	2016/17 R'000	2015/16 R'000
9.	**Expenditure for capital assets**			
	Tangible assets	33	**1 106 315**	**1 257 629**
	Buildings and other fixed structures		910 917	1 070 096
	Machinery and equipment		195 398	187 533
	Intangible assets			
	Software		-	-
	Total		**1 106 315**	**1 257 629**

		2016/17 Voted Funds R'000	Aid assistance R'000	TOTAL R'000
9.1	**Analysis of funds utilised to acquire capital assets**			
	Tangible assets	**1 106 315**	**-**	**1 106 315**
	Buildings and other fixed structures	910 917	-	910 917
	Machinery and equipment	195 398	-	195 398
	Intangible assets	-	-	-
	Software	-	-	-
	Total	**1 106 315**	**-**	**1 106 315**

9.2 Analysis of funds utilised to acquire capital assets-	2015/16 Voted Funds R'000	Aid assistance R'000	TOTAL R'000
Tangible Assets	**1 257 629**	**-**	**1 257 629**
Buildings and other fixed structures	1 070 097	-	1 070 097
Machinery and equipment	187 532	-	187 532
Intangible Assets	**-**	**-**	**-**
Software	-	-	-
Total	**1 257 629**	**-**	**1 257 629**

		Note	2016/17 R'000	2015/16 R'000
10.	**Unauthorised expenditure**			
10.1	**Reconciliation of unauthorised expenditure**			
	Opening balance		490 027	450 515
	As restated		490 027	450 515
	Unauthorised expenditure- discovered in current year		18 997	147 119
	Less: Amount approved by parliament/ legislature with funding		(127 694)	-
	Less: Amounts approved by Parliament/Legislature without funding and written off in the Statement of Financial Performance		(107 607)	(107 607)
	Current		(107 607)	(107 607)
	Closing balance		**273 723**	**490 027**

		2016/17 R'000	2015/16 R'000
10.2	**Analysis of unauthorised expenditure awaiting authorisation per economic classification**		
	Current	273 723	490 027
	Total	**273 723**	**490 027**

		2016/17 R'000	2015/16 R'000
10.3	**Analysis of unauthorised expenditure awaiting authorisation per type**		
	Unauthorised expenditure relating to overspending of the vote or a main division within the vote	273 723	490 027
	Total	**273 723**	**490 027**

10.4 Details of unauthorised expenditure - current year		2016/17 R'000
Incident	**Disciplinary steps taken/criminal proceedings**	
District Hospital Services	Overspending on the Programme 2	14 885
Provincial Hospital Services	Overspending on the Programme 4	4 112
Total		**18 997**

		2016/17 R'000	2015/16 R'000
11.	**Cash and cash equivalents**		
	Cash receipts	6	72
	Cash on hand	291	292
	Total	**297**	**364**

		2016/17 R'000	2015/16 R'000
12.	**Prepayments and advances**		
	Travel and subsistence	-	10
	Total	**-**	**10**

		Note	2016/17 Current R'000	Non-current R'000	Total R'000	2015/2016 Current R'000	Non-current R'000	Total R'000
13.	**Receivable**							
	Claims recoverable	13.1	23 367	-	23 367	4 556	-	4 556
	Recoverable Expenditure	13.2	4 668	-	4 668	633	-	633
	Staff debt	13.3	18 152	2 421	20 573	16 069	31 887	47 956
	Other debtors	13.4	3	-	3	123 402	-	123 402
	Total		**46 190**	**2 421**	**48 611**	**144 660**	**31 887**	**176 547**

		Note	2016/17 R'000	2015/16 R'000
13.1	**Claims recoverable**	13		
	National departments		14 511	147
	Provincial departments		1 378	302
	Public entities		572	3 798
	Higher education institutions		6 584	-
	Local governments		322	309
	Total		**23 367**	**4 556**

Provincial Department amount to R1,378 an amount of R204 not captured on BAS

		Note	2016/17 R'000	2015/16 R'000
13.2	**Recoverable Expenditure (disallowance accounts)**	13		
	Disallowance dishonoured cheque		-	29
	Salary Income Tax		1 245	-
	Disallowance miscellaneous		4	15
	Salary deduction disallowance		71	61
	Disallowances Damages and losses		(11 861)	(1 009)
	Disallowances Damages and losses		11 861	1 009
	Salary Reversal Control		-	125
	Salary Pension Fund		630	400
	Salary Finance other Institutions		-	3
	Advance National Departments		2 718	-
	Total		**4 668**	**633**

		Note	2016/17 R'000	2015/16 R'000
13.3	**Staff debt**	13		
	Breach of Contract		2 275	3 831
	Employee Debt		13 243	33 065
	Fruitless and wasteful		5	19
	Government Accidents		17	46
	State Guarantee		-	5
	Supplier Debt		101	246
	Telephone Debt		2	40
	Salary related Debts / Salary OSD / Rwops/ leave without Pay		3 116	4 478
	Tax Debt		1 807	6 202
	Travel and Subsistence		7	24
	Total		**20 573**	**47 956**

		Note	2016/17 R'000	2015/16 R'000
13.4	**Other debtors**	13		
	Medsas Clearing account		3	86 594
	Revenue Accrual/ Exchequer		-	36 808
	Total		**3**	**123 402**

		Note	2016/17 R'000	2015/16 R'000
13.5	**Impairment of receivables**	13		
	Estimate of impairment of receivables		330	10 226
	Total		**330**	**10 226**

		Note	2016/17 R'000	2015/16 R'000
14.	**Voted funds to be surrendered to the Revenue Fund**			
	Opening balance		6 386	1 571
	As restated		6 386	1 571
	Transfer from Statement of Financial Performance (as restated)		12 603	(140 732)
	Add: Unauthorised expenditure for current year	10	18 997	147 119
	Paid during the year		(6 386)	(1 572)
	Closing balance		**31 600**	**6 386**

		2016/17 R'000	2015/16 R'000
15.	**Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund**		
	Opening balance	6 993	15 506
	As restated	6 993	15 506
	Transfer from Statement of Financial Performance (as restated)	298 104	243 594
	Paid during the year	(285 509)	(252 107)
	Closing balance	**19 588**	**6 993**

		2016/17 R'000	2015/16 R'000
16.	**Bank overdraft**		
	Consolidated Paymaster General Account	245 409	567 675
	Total	**245 409**	**567 675**

		Note	2016/17 R'000	2015/16 R'000
17.	**Payables - current**			
	Clearing accounts	*17.1*	15 909	19 356
	Other payables	*17.2*	-	52 646
	Total		**15 909**	**72 002**

		Note	2016/17 R'000	2015/16 R'000
17.1	**Clearing account**	*17*		
	Sal ACB Recalls		678	2 546
	Sal Garnishee Order		64	55
	Sal Income Tax		-	1 680
	Sal Bargaining Council		-	5
	Sal Medical Aid		-	18
	Adv: Dom/Prov KZN		11 257	9 947
	Sal Reversal Control		2 843	-
	Sal Pension Debt		70	5 105
	Sal: GEH Refund Control Account		997	-
	Total		**15 909**	**19 356**

		Note	2016/17 R'000	2015/16 R'000
17.2	**Other payables**	*17*		
	Medsas Clearing Account		-	52 646
	Total		**-**	**52 646**

		2016/17 R'000	2015/16 R'000
18.	**Net cash flow available from operating activities**		
	Net surplus / (deficit) as per Statement of Financial Performance	310 707	102 862
	Add back non-cash movements/ movements not deemed operating activities:	1 120 604	1 187 074
	(Increase/decrease in receivables – current	127 936	69 799
	Increase)/decrease in prepayments and advances	10	7
	(Increase)/decrease in other current assets	235 301	107 607
	Increase/(decrease) in payables – current	(56 093)	5 711
	Proceeds from sale of capital assets	(970)	-
	Expenditure on capital assets	1 106 315	1 257 629
	Surrenders to revenue fund	(291 895)	(253 679)
	Net cash flow generated by operating activities	**1 431 311**	**1 289 936**

		2016/17 R'000	2015/16 R'000
19.	**Reconciliation of cash and cash equivalents for cash flow purposes**		
	Consolidated Paymaster General Account	(245 409)	(567 675)
	Cash receipts	6	72
	Cash on hand	291	292
	Total	**(245 112)**	**(567 311)**

			Note	2016/17 R'000	2015/16 R'000
20.	**Contingent liabilities and Contingent Assets**				
	Contingent liabilities				
20.1	**Liable to**	**Nature**			
	Housing loan guarantees	Employees	*Annex 2A*	2 713	4 381
	Claims against the department		*Annex 2B*	9 365 743	7 918 230
	Other			2 800 449	2 866 927
	Total			**12 168 905**	**10 789 538**

	Note	2016/17 R'000	2015/16 R'000
Contingent assets			
Nature of contingent asset			
Recoveries for Commuted overtime		479	1 241
Total		**479**	**1 241**

Prior year restated after investigation

		2016/17 R'000	2015/16 R'000
21.	**Commitments**		
	Current expenditure		
	Approved and contracted	598 912	377 364
	Sub Total	**598 912**	**377 364**
	Capital expenditure		
	Approved and contracted	1 312 000	2 853 501
	Sub Total	**1 312 000**	**2 853 501**
	Total Commitments	**1 910 912**	**3 230 865**

Capital commitments is in excess of 1 year

		30 Days	30+ Days	2016/17 Total	2015/16 Total
		R'000	R'000	R'000	R'000
22.	**Accruals, Payables not recognised**				
	Listed by economic classification				
	Goods and services	418 756	20 994	439 750	246 035
	Transfers and subsidies	-	-	-	18 750
	Capital Assets	3 153	3 630	6 783	77 001
	Total	**421 909**	**24 624**	**446 533**	**341 786**

		2016/17	2015/16
22.1	**Listed by programme level**	**R'000**	**R'000**
	Administration	240 623	23 784
	District Health Services	58 463	184 062
	Emergency Medical Services	9 197	9 118
	Provincial Hospital Services	19 591	23 024
	Central Hospital Services	92 522	11 393
	Health Service and Training	1 156	1 069
	Health Care Support	3 130	9 522
	Health Facilities Management	21 851	79 814
	Total	**446 533**	**341 786**

		30 Days	30+ Days	Total	Total
		R'000	R'000	R'000	R'000
22.2	**Payables not recognised**				
	Listed by economic classification				
	Goods and services	594 698	195 629	790 327	712 185
	Transfers and subsidies	-	-	-	56 250
	Capital assets	52 995	16 566	69 561	97 076
	Total	**647 693**	**212 195**	**859 888**	**865 511**

	2016/17	2015/16
Listed by programme level	**R'000**	**R'000**
Administration	46 430	400 042
District Health Services	344 364	163 616
Emergency Medical Services	50 282	8 460
Provincial Hospital Services	269 372	82 546
Central Hospital Services	85 235	41 495
Health Services and Training	2 672	12 840
Health Care Support	14 154	12 950
Health Facilities Management	47 379	143 562
Total	**859 888**	**865 511**

		2016/17 R'000	2015/16 R'000
Included in the above totals are the following:			
Confirmed balances with other departments	Annex 4	31 977	90 761
Confirmed balances with other government entities	Annex 4	647 928	491 167
Total		**679 905**	**581 928**

		2016/17 R'000	2015/16 R'000
23.	**Employee benefit**		
	Leave entitlement	850 275	770 634
	Service Bonus (Thirteenth cheque)	589 879	561 839
	Capped leave commitments	619 115	642 738
	Other	20 044	48 468
	Total	**2 079 313**	**2 023 679**

Other - Long Term Service benefits awards

24. Lease commitments

24.1 Operating leases expenditure

2016/17	Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	40 894	18 551	59 445
Later than 1 year and not later than 5 years	-	-	31 729	31 362	63 091
Total lease commitments	**-**	**-**	**72 623**	**49 913**	**122 536**

2015/16	Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	29 833	22 350	52 183
Later than 1 year and not later than 5 years	-	-	26 038	6 464	32 502
Total lease commitments	**-**	**-**	**55 871**	**28 814**	**84 685**

24.2 Finance leases expenditure

2016/17	Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	857	857
Later than 1 year and not later than 5 years	-	-	-	115	115
Total lease commitments	**-**	**-**	**-**	**972**	**972**

2015/16	Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	1 933	1 933
Later than 1 year and not later than 5 years	-	-	-	562	562
Total lease commitments	**-**	**-**	**-**	**2 495**	**2 495**

This note excludes leases relating to public private partnerships as they are separately disclosed to note no. 35.

		2016/17 R'000	2015/16 R'000
25.	**Accrued Departmental Revenue**		
	Sales of goods and services other than capital assets	205 221	199 280
	Other	36 156	25 970
	Total	**241 377**	**225 250**

		2016/17 R'000	2015/16 R'000
25.1	**Analysis of accrued departmental revenue**		
	Opening Balances	225 250	175 030
	Less: Amounts received	112 984	95 848
	Add: Amounts recognised	158 712	185 176
	Less: Amounts written-off/reversed as irrecoverable	29 601	39 108
	Closing balance	**241 377**	**225 250**

		2016/17 R'000	2015/16 R'000
25.2	**Accrued Department Revenue written off**		
	Nature of losses		
	Patient Fees written off as irrecoverable	6 477	13 659
	Patient fees reduced	23 124	25 449
	Total	**29 601**	**39 108**

		2016/17 R'000	2015/16 R'000
25.3	**Impairment of accrued departmental revenue**		
	Estimate of impairment of accrued departmental revenue	28 706	30 937
	Total	**28 706**	**30 937**

		2016/17 R'000	2015/16 R'000
26.	**Irregular Expenditure**		
26.1	**Reconciliation of irregular expenditure**		
	Opening balance	4 327 490	3 165 564
	Prior period error	-	225 815
	As restated	4 327 490	3 391 379
	Add: Irregular expenditure - relating to prior year	1 474 002	834 511
	Add: Irregular expenditure - relating to current year	1 325 084	1 257 484
	Less: Current year amounts condoned	-	(172 683)
	Less: Amounts not condoned and not recoverable	-	(983 201)
	Irregular expenditure awaiting condonation	**7 236 576**	**4 327 490**
	Analysis of awaiting condonation per age classification		
	Current year	2 799 086	1 257 484
	Prior years	4 327 490	3 070 006
	Total	7 126 576	**4 327 490**

26.2	**Details of irregular expenditure - Incident**	**Current year Disciplinary steps taken/criminal proceedings**	**2016/17 R'000**
	Various	To investigate	
	SCM Contracts and Quotations	To investigate SCM processes and policies not followed	1 296 243
	Property Lease Payments	Expired Rental Contracts	19 025
	Overtime exceeding 30%	To Investigate valid exceptions and documents submitted	9 816
	Total		**1 325 084**

26.3	**Prior period error**	**2015/16 R'000**
	Nature of prior period error	
	Contracts:	225 815
	Previously disclosed as Irregular Not In The Main Note in 2015/16	225 815
	Relating to 2015/16	**1 474 002**
	Previously disclosed as Irregular Not In The Main Note in 2015/16	318 118
	Condoned & Not recoverable amount in 2015/16 Note	1 155 884
	Total	**1 699 817**

		2016/17 R'000	2015/16 R'000
27	**Fruitless and wasteful expenditure**		
27.1	**Reconciliation of fruitless and wasteful expenditure**		
	Opening balance	8 980	3 863
	As restated	8 980	3 863
	Fruitless and wasteful expenditure – relating to current year	5 763	5 117
	Closing balance	**14 743**	**8 980**

		2016/17 R'000	2015/16 R'000
27.2	Analysis of awaiting resolution per economic classification		
	Current	5 763	8 980
	Total	**5 763**	**8 980**

27.3	**Analysis of Current Year's Fruitless and wasteful expenditure**		**2016/17 R'000**
	Incident	**Disciplinary steps taken/criminal proceedings**	
	Municipalities Interest	To investigate	1 667
	Interest Other	To investigate	768
	Expired Stock	Been through Board of Survey to finalise outcome	2 923
	Duplicate Supplier	To investigate	207
	Penalties	To investigate	42
	SCM related	To investigate	145
	Human Resource Related	To investigate	11
	Total		**5 763**

		2016/17 R'000	2015/16 R'000
28.	**Year end balances arising from revenue/payments**		
	Payables to related parties	174 710	52 646
	Total	**174 710**	**52 646**

		No of	2016/17	2015/16
29.	**Key management personnel**	***Individuals***	**R'000**	**R'000**
	Political office bearers	1	1 902	1 822
	Officials:			
	Level 15 to 16	8	11 421	11 319
	Level 14 (incl CFO if at a lower level)	12	13 513	13 337
	Family members of key management personnel	12	7 540	5 718
	Total		**34 376**	**32 196**

Public Private Partnership (PPP)

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 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; 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.

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.

Amendment

The PPP agreement contract was signed on the 27th January 2017 for a further 3 years extension. The commitment / obligation are as follows:

- 2107/2018 R650 million
- 2018/2019 R710 million
- 2019/2020 R737 million

The total Obligation to remaining period is R 2,097 billion.

		2016/17 R'000	2015/16 R'000
30.	**Unitary fee paid**	**793 393**	**728 614**
	Indexed component	793 393	728 614
	Analysis of indexed component	**739 393**	**728 614**
	Goods and Services(excluding lease payments)	739 393	728 614
	Capital/(Liabilities)	**788 105**	**875 230**
	Plant and equipment	788 105	875 230
	Other	**2 097 000**	**-**
	Other obligations	2 097 000	-

		2016/17 R'000	2015/16 R'000
31.	**Provisions**		
	Capital Retention values for Building and other Fixed Structures	22 783	59 515
	Medical Legal cases	-	408
		22 783	**59 923**

32. Reconciliation of movement in provisions - 2016/17

	Provision 1 R'000	Provision 2 R'000	Provision 3 R'000	Provision 4 R'000	Total provisions R'000
Opening balance	59 515	408	-	-	59 923
Settlement of provision	(36 732)	(408)	-	-	(37 140)
Closing balance	**22 783**	**-**	**-**	**-**	**22 783**

Reconciliation of movement in provisions - 2015/16

	Provision 1 R'000	Provision 2 R'000	Provision 3 R'000	Provision 4 R'000	Total provisions R'000
Opening balance	59 515	408	-	-	59 923
Closing balance	**59 515**	**408**	**-**	**-**	**59 923**

Capital provisions was overstated R23,318 for prior year and was reduced in current year.

33. Movable Tangible Capital Assets

Movement in movable tangible capital assets per asset register for the year ended 31 March 2017

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing balance
	Cost	Cost	Cost	Cost	Cost
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS	**-**	**-**	**-**	**-**	**-**
Heritage assets	-	-	-	-	-
Machinery and Equipment	**2 703 772**	**877 132**	**215 034**	**36 776**	**3 759 162**
Transport Assets	976 895	(20 167)	115 954	36 776	1 035 906
Computer equipment	245 387	142 271	8 769	-	396 427
Furniture and Office equipment	49 643	36 618	1 494	-	87 755
Other machinery & Equipment	1 431 847	718 410	88 817	-	2 239 074
Total movable tangible assets	**2 703 772**	**877 132**	**215 034**	**36 776**	**3 759 162**

Movable Tangible Capital Assets under investigation

Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:	**Number**	**Value**
		R'000
Machinery and equipment	166	-

Potential thefts and losses values was unable to be determined

33.1 Additions to movable tangible capital asset per asset register for the year ended 31 March 2017

	Cash	Non-Cash	(Capital work in progress - current costs)	Received current year, not paid (Paid current year, received prior year)	Total
	Cost	Fair Value	Cost	Cost	Cost
	R'000	R'000	R'000	R'000	R'000
Machinery and equipment	**143 980**	**12 405**	**-**	**58 649**	**215 034**
Transport assets	50 331	6 974	-	58 649	115 954
Computer equipment	3 702	5 067	-	-	8 769
Furniture and Office equipment	1 452	42	-	-	1 494
Other machinery and equipment	88 495	322	-	-	88 817
Total capital assets	**143 980**	**12 405**	**-**	**58 649**	**215 034**

33.2 Disposals of movable tangible capital assets per asset register for the year ended 31 March 2017

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash received
	Cost	Fair Value	Cost	Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**36 776**	**-**	**36 776**	**7 637**
Transport assets	36 776	-	36 776	7 637
Total	**36 776**	**-**	**36 776**	**7 637**

Movement for 2015/2016

33.3 Movement in movable tangible capital assets per asset register for the year ended 31 March 2016

	Opening balance	Current year adjustments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Machinery and equipment	**2 288 617**	**241 738**	**200 887**	**27 470**	**2 703 772**
Transport assets	837 410	64 552	91 163	16 230	976 895
Computer equipment	135 977	107 260	2 319	169	245 387
Furniture and office equipment	65 017	(20 155)	4 805	24	49 643
Other machinery and equipment	1 250 213	90 081	102 600	11 047	1 431 847
Total tangible assets	**2 288 617**	**241 738**	**200 887**	**27 470**	**2 703 772**

		Note	2015/16 R'000
33.3.1	**Prior period error**		
	Nature of prior period error		
	Relating to 2014/ 2015(affecting the opening balance)		**241 738**
	Computer R25,811 / Fleet R-2348		377 595
	Office Furniture -R12,603		(135 857)
	Relating to 2015/16		**-**
	Total		**241 738**

Prior period error is due to reclassification from major to minor

33.4 Minor assets

Movement in minor asset per the asset register for the year ended 31 March 2017

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	772 010	-	772 010
Value adjustments	-	-	-	(51 923)	-	(51 923)
Additions	-	-	-	22 254	-	22 254
Disposals	-	-	-	10 446	-	10 446
TOTAL	**-**	**-**	**-**	**731 895**	**-**	**731 895**

Donations to value of R34.000 received

Minor assets

Movement in minor asset per the asset register for the year ended 31 March 2016

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	-	-	450 908	-	450 908
Prior period error	-	-	-	295 018	-	295 018
Additions	-	-	-	28 301	-	28 301
Disposals	-	-	-	2 217	-	2 217
TOTAL	**-**	**-**	**-**	**772 010**	**-**	**772 010**

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	2 057	-	2 057
Number of minor assets at cost	-	-	-	539 752	-	539 752
TOTAL	**-**	**-**	**-**	**541 809**	**-**	**541 809**

		Note	2015/16 R'000
33.4.1	**Prior period error**		
	Nature of prior period error		
	Relating to		**295 018**
	Prior period error		187 981
	Transfer from Major to minor for 2015/2016		107 037
	Relating to 2015/16		**-**
	Total		**295 018**

Prior period error was due to reclassification from major to minor

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2017

ANNEXURE A

SCHEDULE – IMMOVABLE ASSETS, LAND AND SUB SOIL ASSETS

Opening balances – 2007/2008

In the 2006/07 financial year the department applied Accounting Circular 1 of 2007. The impact of this circular on the financial statements resulted in the cumulative balances on buildings being transferred to the provincial Department of Works. The balance that was transferred was R 549,366 million under the category *Buildings and other fixed structures.*

Movements to immovable assets – 2007/2008

The Department has applied the exemption as granted by the National Treasury and thus immovable assets have not been disclosed on the face of the annual financial statements.

Additions

The additions for the 2007/08 financial year on buildings recorded under the category *Buildings and other fixed structures were* R 623,762 million.

Disposals

The department did not dispose of any additions on buildings for the 2007/08 financial year.

Movements to immovable assets – 2008/2009

The department has applied the exemption as granted by the National Treasury and thus where there is uncertainty with regards to ownership of immovable assets; these have not been disclosed on the face of the annual financial statements.

Additions

The additions for the 2008/09 financial year on buildings recorded under the category *Buildings and other fixed structure was* R 635,593 million.

Disposals

The Department did not dispose of any additions on buildings for the 2008/09 financial year.

Movements to immovable assets – 2009/2010

The Department has applied the Guidelines as issued by the National Treasury and thus where there is doubt as to which department is responsible for the property and the GIAMA allocation process has not been finalised, these assets must not be disclosed in the notes to the annual financial statements. The register for immovable in the Province of KwaZulu-Natal resides with the Department of Public Works.

Additions

The additions for the 2009/2010 year recorded on Buildings and fixed structures are R 1,005,258 billion.

Work in Progress

The Work-in-progress as at 31 March 2010 recorded on Building and fixed structures are R 861,758 million

Disposals/Transfers

The Department did not dispose of any additions on buildings for the 2009/10 financial year.

Movements to immovable assets – 2010/2011

Additions

The additions for the 2010/2011 year recorded on Buildings and fixed structures are R 778,749 million

Work in Progress

The Work-in-progress as at 31 March 2011 recorded on Building and fixed structures are R 425,072 million

Disposals/Transfers

The Department did not dispose of any additions on buildings for the 2010/11 financial year.

Movements to immovable assets – 2011/2012

Additions

The additions for the 2011/2012 year recorded on Buildings and fixed structures are R 1,063,220 billion

Work in Progress

The Work-in-progress as at 31 March 2012 recorded on Building and fixed structures are R 794,495 million

Disposals/Transfers

The Department did not dispose of any additions on buildings for the 2011/12 financial year.

Movements to immovable assets – 2012/2013

Additions

The additions for the 2012/2013 year recorded on Buildings and fixed structures are R 1,637,391 billion

Work in Progress

The Work-in-progress as at 31 March 2013 recorded on Building and fixed structures are R 1,302,382 billion

Disposals/Transfers

The Department did not dispose of any additions on buildings for the 2012/13 financial year.

Movements to immovable assets – 2013/2014

The register for immovable in the Province of KwaZulu-Natal resides with the Department of Public Works.

Additions

The additions for the 2013/2014 year recorded on Buildings and fixed structures are R 1,530,972 billion

Work in Progress

The Work-in-progress as at 31 March 2014 recorded on Building and fixed structures are R 1,199,047 billion

Disposals/Transfers

The Department did not dispose of any additions on buildings for the 2013/14 financial year.

Completed Projects

During the financial year, the Departments' completed project to value of R 521,228 million.

Movements to immovable assets – 2014/2015

The register for immovable in the Province of KwaZulu-Natal resides with the Department of Public Works.

Additions

The additions for the 2014/2015 year recorded on Buildings and fixed structures are R 1,206,505 billion

Work in Progress

The Work-in-progress as at 31 March 2015 recorded on Building and fixed structures are R 702,008 million

Disposals/Transfers

The Department did not dispose of any additions on buildings for the 2014/15 financial year.

Completed Projects

During the financial year, the Departments' completed project to value of R 455,369 million.

Movements to immovable assets – 2015/2016

The register for immovable in the Province of KwaZulu-Natal resides with the Department of Public Works.

Additions

The additions for the 2015/2016 year recorded on Buildings and fixed structures are R 1,257,629 billion

Work in Progress

The Work-in-progress as at 31 March 2016 recorded on Building and fixed structures are R 1,077,455 billion

Disposals/Transfers

The Department did not dispose of any additions on buildings for the 2015/16 financial year.

Movements to immovable assets – 2016/2017

The register for immovable in the Province of KwaZulu-Natal resides with the Department of Public Works.

Additions

The additions for the 2016/2017 year recorded on Buildings and fixed structures are R 1,257,629 billion

Work in Progress

The Work-in-progress as at 31 March 2017 recorded on Building and fixed structures are R 1,856,654 billion as a closing balance

Disposals/Transfers

The Department did not dispose of any additions on buildings for the 2016/17 financial year.

The supplementary information presented does not form part of the annual financial statements and is unaudited.

ANNEXURE 1A: STATEMENT OF CONDITIONAL GRANT RECEIVED

NAME OF GRANT	GRANT ALLOCATION					SPENT				2015/16	
	Division of Revenue Act/Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by Department	Amount spent by Department	Under / (overspending)	% of available funds spent by Dept.	Division of Revenue Act	Amount spent by Department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
National Tertiary Services Grant	1 596 286	-	-	-	1 596 286	1 596 286	1 596 286	-	100%	1 530 246	1 530 223
Comprehensive HIV / AIDS Grant	4 244 243	-	-	-	4 244 243	4 244 243	4 247 525	(3 282)	100%	3 812 972	3 813 455
Health Facility Revitalisation Grant	1 114 693	-	-	-	1 114 693	1 114 693	1 121 993	(7 300)	101%	1 229 775	1 231 997
Health Professional & Training Grant	312 377	-	-	-	312 377	312 377	312 377	-	100%	299 513	299 898
National Health Insurance	15 083	6 363	-	4 000	25 446	25 446	25 045	401	98%	15 857	9 494
EPWP Grant for Social Sector	13 000	-	-	-	13 000	13 000	13 000	-	100%	13 000	13 000
EPW Integrated Grant to Province	7 122	-	-	-	7 122	7 122	7 122	-	100%	3 682	3 682
	7 302 804	**6 363**	**-**	**4 000**	**7 313 167**	**7 313 167**	**7 323 348**	**(10 181)**		**6 905 045**	**6 901 749**

Departments are reminded of the DORA requirement to certify that all transfers in terms of this Act were deposited into the primary bank account of the province or, where appropriate, into the CPD account of a province.

ANNEXURE 1 B
STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT			2015/16
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	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	R'000	%	R'000
eThekwini : Conditional Grant	80 000	-	-	80 000	40 000	-	-	40 000	40 000	100%	129 600
eThekwini : Equitable Share	141 786	-	-	141 786	114 750	-	-	114 750	114 750	100%	-
PD Vehicle Licences	5 659	-	-	5 659	4 904	-	-	4 904	4 904	100%	3 730
PD PMT/ Refundable Act of Grace	100	-	-	100	100	-	-	100	100	100%	-
Rounding	-	-	-	-	-	-	-	-	-		(1)
TOTAL	**227 545**	**-**	**-**	**227 545**	**159 754**	**-**	**-**	**159 754**	**159 754**		**133 329**

ANNEXURE 1C
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/AGENCY/ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2015/16
	Adjusted appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Skills Development Levy	19 842	-	-	19 842	19 842	100%	18 863
Com: SABC TV Licences	200	-	-	200	288	144%	146
TOTAL	**20 042**	**-**	**-**	**20 042**	**20 130**		**19 009**

ANNEXURE 1D

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

INSTITUTION NAME	TRANSFER ALLOCATION				EXPENDITURE				2015/16
	Adjusted appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Capital	Current	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Public corporations									
Transfers	**-**	**-**	**-**	**-**	**-**	**-**		**-**	**10**
Penalties	-	-	-	-	-	-		-	10
Subsidies	-	-	-	-	-	-		-	-
Subtotal: Public corporations	**-**	**-**	**-**	**-**	**-**	**-**		**-**	**10**
TOTAL	**-**	**-**	**-**	**-**	**-**	**-**		**-**	**10**

ANNEXURE 1E
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2015/16
	Adjusted appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers	-	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**		**-**
Subsidies							
Austerville Halfway House	569	-	-	569	569	100%	552
Azalea House	525	-	-	525	525	100%	510
Bekimpelo/ Bekulwandle Trust Clinic	8 637	-	-	8 637	8 637	100%	8 386
Benedictine Clinic	-	-	-	-	-		44
Budget Control Holding Funds	20 501	-	-	20 501	-	0%	(591)
Claremont Day Care Centre	401	-	-	401	401	100%	389
Day Care Club 91	-	-	-	-	-		105
District Holding Funds ILembe	1 290	-	-	1 290	-	0%	-
District Holding Funds UGu	-	-	-	-	-		2 861
District Holding Funds UThungulu	-	-	-	-	-		5 179
DPSA-Comm Based Rehab Project	955	-	-	955	955	100%	927
DPSA - Wheelchair repair & maintenance	877	-	-	877	879	100%	853
Ekukhanyeni Clinic	967	-	-	967	1 043	108%	967
Enkumane Clinic	278	-	-	278	278	100%	-

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS - CONTINUE

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2015/16
	Adjusted appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Ethembeni Stepdown Centre	4 000	-	-	4 000	3 927	98%	-
Genesis care Centre	2 946	-	-	2 946	2 939	100%	-
Happy Hour Amaoti	536	-	-	536	536	100%	520
Happy Hour Durban North	267	-	-	267	267	100%	260
Happy Hour Kwaximba	429	-	-	429	429	100%	416
Happy Hour Mariannhill	-	-	-	-	-		130
Happy Hour Mpumalanga	429	-	-	429	429	100%	416
Happy Hour Ninikhona	267	-	-	267	267	100%	260
Happy Hour Nyangwini	281	-	-	281	281	100%	273
Happy Hour Overport	202	-	-	202	202	100%	196
Happy Hour Phoenix	267	-	-	267	267	100%	260
Hlanganani Ngothando DCC	227	-	-	227	227	100%	220
Ikhwezi Cripple Care	1 242	-	-	1 242	1 242	100%	1 205
John Peattie House	1 408	-	-	1 408	1 408	100%	1 367
Jona Vaughn Centre	2 493	-	-	2 493	2 493	100%	2 420
KZN Blind and Deaf Society	849	-	-	849	849	100%	824
Lynn House	629	-	-	629	629	100%	611
Madeline Manor	919	-	-	919	919	100%	892
Magaye School for the Blind	530	-	-	530	530	100%	515
Matikwe Oblate Clinic	496	-	-	496	496	100%	481
Mountain View Special Hospital	9 965	-	-	9 965	9 965	100%	9 675

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS - CONTINUE

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2015/16
	Adjusted appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Philanjolo Hospice	2 500	-	-	2 500	2 378	95%	5 001
Power of God	1 167	-	-	1 167	1 167	100%	1 133
Rainbow Haven	421	-	-	421	421	100%	409
Scadifa Centre	982	-	-	982	982	100%	953
Siloah Special Hospital	-	-	-	-	22 592		21 934
South Coast Hospice	185	-	-	185	185	100%	179
Sparks Estate	1 166	-	-	1 166	1 166	100%	1 132
St. Lukes Home	470	-	-	470	470	100%	456
St. Mary's Hospital Mariannhill	132 479	-	-	132 479	132 421	100%	124 174
Sunfield Home	277	-	-	277	277	100%	269
Umlazi Halfway House	284	-	-	284	284	100%	276
Rounding	-	-	-	-	(3)		-
	203 313	**-**	**-**	**203 313**	**203 929**		**197 039**
Total	**203 313**	**-**	**-**	**203 313**	**203 929**		**197 039**

ANNEXURE 1F

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2015/16
	Adjusted appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Employee Social Benefits - Injury on Duty	375	-	-	375	230	61%	484
Employee Social Benefits - Leave Gratuity	103 680	-	-	103 680	108 374	105%	93 858
Bursaries : Non-Employee	289 893	-	-	289 893	291 963	101%	253 032
Claims Against the State	573	-	-	573	251 278	43853%	68 120
Total	**394 521**	**-**	**-**	**394 521**	**651 845**		**415 494**

ANNEXURE 1G
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2016/17	2015/16
		R'000	R'000
Received in cash			
Prior years		-	10
Subtotal		**-**	**10**
Received in kind			
Prior year balance		-	48 531
Tirelo Bosha	Sign Language training in eThekwini	1 170	-
United State Consulate General	Sponsorship for Dr Mubaiwa: to attend the International visitors Leadership Programme	311	-
Aurum Institute	Sponsorship for the OES Strategic Workshop	17	-
South African Medical Research	Sponsorship for Mrs Luvuno: to complete her PHD in Nursing at UKZN	317	-
University Research Council (URC)	Sponsorship for catering	3	-
Bill & Melinda Gates Foundation	Sponsorship for Mrs Ngozo: Accommodation, flights and shuttle/transport	9	-
United State Consulate General	Sponsorship for Dr Mubaiwa: to attend the International visitors Leadership Programme	313	-
Harding Super Spar	Defy Microwave	1	-
Little Red Hen Pre-Primary School	Various children's toys	1	-
Coca Cola Fortune	Coke Zero Cool drinks	3	-
Metropolitan	Sponsorship for meals	8	-
Avbob	Sponsorship for meals	5	-
Capitec Bank	Sponsorship for meals	5	-
Jooma Properties	Food packs	4	-
Mrs Singh & Family	Cash donation for the Ward 5 Christmas party	1	-

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED – CONTINUE

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2016/17	2015/16
		R'000	R'000
Smith & Nephew (Pty) Ltd	Sponsorship for Dr Mthethwa, Dr O'farrell & Siyo: Flight and bus transport, accommodation and meals	30	-
Friends of Umgeni	Various items for various events	24	-
University of KwaZulu-Natal (UKZN)	Filing cabinet x10, office desks x8, hole unit x1, buddy storage x3, open unit x1, four legged chairs x6, economy visitors chairs x4, four door cabinet x1, Lincoln visitors chairs x11	18	-
Amgen South Africa (Pty) Ltd	Sponsorship for Dr Parasnath: travel cost, accommodation & registration	51	-
Janssen Pharmaceutical (Pty) Ltd	Sponsorship for Dr Parasnath: travel cost, accommodation & registration	43	-
KwaCare (NPC)	54 Comfort bags	8	-
Ortho-xact	Sponsorship for Dr Arnold: registration fees, flights and accommodation	30	-
Sonke Pharmaceutical (Pty) Ltd	Sponsorship for Mrs Hanuman to attend SAPC 2nd National Conference	3	-
MatCH	Cycling Shirts	34	-
JHPIEGO	Attending e-Learning	12	-
Norton Rose Fulbright	Catering	4	-
Health Systems Trust	Sponsorship for registration & accommodation	10	-
PEPFAR	Sponsorship for flight, accommodation, airport transfer and lunch & tea	12	-
Sanofi-Aventis	Catering	5	-
Sanofi-Aventis	Catering	8	-
Sanofi-Aventis	Facilitator & Catering	41	-
Sanofi-Aventis	Catering	3	-
FHI 360 (The Lilly Foundation)	Sponsorship for registration, flights & accommodation	22	-
Various	Various text books	3	-
Rotary Club of Pietermaritzburg & Rotary Club of Pietermaritzburg Azalea	Mobile Vehicle	777	-
GeoChem Industrial	40x 2Lt Cool drinks & 3x 1Kg biscuits	1	-
Burn Care Trust	Two (2) New Plaints & Paint	7	-
Dr Akoo	DST Decoder	1	-
Janssen Pharmaceutical (Pty)	Sponsorship for registration fees	6	-

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED – CONTINUE

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2016/17 R'000	2015/16 R'000
Friends of Umgeni	Yoghurt twice a month	4	-
Shachah Fellowship Church	1 Hisense bar fridge	2	-
Sanlam Insurance	6 High black chairs	1	-
University of Pretoria	ESMOE Equipment	22	-
Africa Foundation	Staff accommodation (Nurses residence)	1 375	-
Dr BN Memela	Low profile wall mount & DVD Player	1	-
UNICEF	Sponsorship for accommodation & travel cost	9	-
Clout Media	Various Items	10	-
Mrs AC Lombaard	Exercise Machine	2	-
VP Health Systems	Catering for Nampula Central Hospital delegation benchmarking visit	2	-
PMB Kidney Association	10x Food parcels	2	-
Friends of Umgeni	Knitted blankets, jerseys and hats	1	-
Dr ST Mchunu	Various items	39	-
Sanofi/ Clinigen	Campath injection x1 Vial	7	-
Church of Christ	Hearing Aids	23	-
VP Health Systems	Catering for Nampula Central Hospital delegation benchmarking visit	2	-
Air Mercy	Emergency Medical Services (EMS) 2016 Indaba	1 115	-
Impilo Consortium	Sponsorship for renovation for the main boardroom	249	-
Deloitte	2 Tickets for Durban July	1	-
Dimension Data	Ticket for Durban July	1	-
DSM Nutritional Products South Africa	Sponsorship for flights, accommodation, registration & visa	32	-
Match	Conference package & accommodation	91	-
MTN Foundation	40 Computers, 2 compujets & 2 laptops	850	-
UNICEF	Sponsorship for accommodation & travel cost	9	-

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED – CONTINUE

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2016/17	2015/16
		R'000	R'000
Clout Media	Various Items	10	-
Aurum Institute	Sponsorship for return flights	3	-
MSF Philanjalo JHU	Sponsorship for registration, accommodation and flights for ZV Radebe	17	-
Harvard Medical School Centre for Global Health Delivery	Sponsorship for accommodation, flights, visa & meals	22	-
Broad reach Care	Sponsorship for conference registration and accommodation	16	-
Foundation for Professional Development	Sponsorship for conference registration and accommodation	16	-
National Department of Health	Donation of a mobile dental clinic truck	1 194	-
Development Partners	Sponsorship for conference registration and accommodation	78	-
Medipost Group	Training of Pharmacist Assistant	70	-
Harding Super Spar	groceries	1	-
VP Health Systems	Sponsorship for catering for the Mozambique Benchmark	2	-
International Society for Burn Injuries (ISBI)	Sponsorship for air fare	50	-
1st South African National Conference on Violence	Sponsorship for accommodation, return air flight & registration	12	-
Chinese Ministry of Science	Sponsorship for training, accommodation and transport in China	19	-
VP Health Systems	Sponsorship for catering for the Mozambique Benchmark	2	-
Africa Muslims Agency	Borehole	90	-
Mafethe Construction & Renovation	Male soccer kit(14 jerseys, 13 shorts & 14 pairs of socks)	7	-
Hlobisile Masusku	Cash	1	-
Tongaat Hullet	Refiling gas cylinders, repairs air conditioners & hiring a grade master	12	-
Enza (NPO)	Nine (9) hand push chairs & four (4) wheel chairs	20	-
Community Media Trust (CMT)	Sponsorship for Isibaya Samadoda	187	-
University Research Co (URC)	Sponsorship for registration fees for MMC Team	48	-
Isowel Health Care	Catering	5	-
Women Care Global (WCG)	Sponsorship for accommodation, conference, catering & conducting the workshop	16	-

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED – CONTINUE

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2016/17	2015/16
		R'000	R'000
NACOSA	Sponsorship for accommodation, flight &dinner	9	-
The Free State Department of Health	80 Bedaquline Units	795	-
Aurum Institute	Sponsorship of Flight and shuttle	3	-
National Department of Health	Computers & Printers	3 923	-
National Department of Health	Medical Equipment	1 694	-
National Department of Health	Computers & Printers	2 548	-
National Department of Health	Medical Equipment	470	-
National Department of Health	Computers & Printers	3 902	-
National Department of Health	Computers & Printers	9 597	-
Mondi Limited	Mobile Vehicle	787	-
The National Department of Health	51 Mecer Computers, 10 Brother Printers	629	-
Road Accident Fund	Cash donation	500	-
Leo & Sharon van der Sandt	Hisense 40 inch FHD Led	4	-
Janssen Pharmaceutical Companies	Sponsorship for registration fees, accommodation & air flight	23	-
Adcock Ingram	Sponsorship for registration fees & return air flight	12	-
Dr Wayne Rajah & Associates	Television sets & OVHD Satellite system	56	-
Disa Vascular Distribution (Pty) Ltd	Sponsorship for registration fees, accommodation & air flight	15	-
Medtronic Rapid Exchange	Sponsorship for registration fees for NI Rangana & TC Kunene	2	-
Africa Centre	Four x two door steel filing cabinet	7	-
National Department of Health	6 Computers & 1 Printer for Gingindlovu Clinic	73	-
National Department of Health	10 Computers & 1 Printer for Ensigweni Clinic	117	-
National Department of Health	5 Computers & 1 Printer for Mvutshini Clinic	62	-
Dorothy Finn	Hisense Television	4	-
Avbob	Refreshments for sport tournament	2	-

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED – CONTINUE

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2016/17	2015/16
		R'000	R'000
Impilo Consortium	Sponsorship for travel, registration & admin cost	5	-
South African Medical Research Council	Furniture & Equipment	108	-
Dr Walana	50 Mattresses, 50 blankets & 15 heaters	20	-
Apostolic Faith Revival Centre (Durban)	200 Snack Packs	5	-
Various Donors	Various Gifts	2	-
National Community Marketing	Soccer Jerseys	8	-
Various Donors	Various Donation	3	-
Match	Sponsorship for venue, refreshment and facilitator	23	-
K-Rith	Cough Booth	94	-
Match	Sponsorship for venue, refreshment and facilitator	23	-
K-Rith	Cough Booth	94	-
Community Media Trust (CMT)	Sponsorship for branding 4 HAST Mobile Unit	240	-
Impilo Consortium	Sponsorship for Catering	1	-
FHI 360	BMI wheels, child and adult Muac tapes	235	-
Wits Health Consortium (Pty) Ltd	Sponsorship for registration fees	6	-
National Department of Health	Office Furniture	686	-
USAID	Sponsorship for flights	2	-
CAPRISA	Sponsorship for training and accommodation	515	-
National Department of Health	Office Furniture	79	-
National Department of Health	Office Furniture	79	-
National Department of Health	Office Furniture	75	-
National Department of Health	Office Furniture	786	-
Old Mutual	Trophies & Token of appreciation	10	-

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED – CONTINUE

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2016/17	2015/16
		R'000	R'000
Broadreach Health Care	70 Condom Dispenser	133	-
Broadreach Health Care	Sponsorship for accommodation, flights, shuttle to & from airport and shuttle in Cape Town	136	-
SAPPI paper	Various items to KwaDukuza Clinic	5	-
Match	Medical Equipment	64	-
Cleopatra CC	Disposable Nappies of various size	1	-
University of KwaZulu-Natal (UKZN)	ENT Microscope Machine	200	-
The South Coast Herald	Comfort packs	6	-
Zimmer Biomet South Africa (Pty) Ltd	Sponsorship for fights, accommodation, meals, comfort package & shuttle from airport	12	-
University of KwaZulu-Natal (UKZN)	ENT Microscope Machine	200	-
World Federation of Societies of Anaesthesiologists	Sponsorship of accommodation, travel cost & subsistence in the country	7	-
Dr E Gale	One (1) ECG Machine	14	-
University of KwaZulu-Natal (UKZN)	ENT Microscope Machine	200	-
Dr D Tucker	3 Baby scales	1	-
University of KwaZulu-Natal (UKZN)	ENT Microscope Machine	200	-
University of KwaZulu-Natal (UKZN)	ENT Microscope Machine	200	-
King Shaka International Airport	Various items	120	-
Cupcakes of Hope	Cupcakes	1	-
Sinofi/ Clinigen	Campth injection x1 vial	7	-
Bard Medical South Africa (Pty) Ltd	Sponsorship of accommodation, flight and meals	27	-
Honchos Ixopo	Cash donation	1	-
University of KwaZulu-Natal (UKZN)	ENT Microscope Machine	200	-
K-Rith	Cough booth	94	-
CAPRISA	Laptop	10	-
University Research Co., LLC	Sponsorship for flights, accommodation, meals & conference registration	42	-

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED – CONTINUE

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2016/17	2015/16
		R'000	R'000
EThekwini Parks Department	Plant and landscaping	5	-
The Ixopo Methodist Church	20 Pre-term & new born packs	1	-
Medtronic Africa (Pty) Ltd	Sponsorship for flights, transfers & lunch	3	-
South Africa Haemophilia Foundation	Sponsorship for flights, accommodation, meals & conference	4	-
Cryosave	Dry Walling installation	9	-
Johnson & Johnson Medical (Pty) Ltd	Sponsorship for flights, accommodation and transfers	12	-
Snupit	Cash donation for Diwali event	3	-
Various Donors	Various items & cash donation	1	-
Various Donors	Various items & cash donation	4	-
Mrs M Ballard	L.G Fridge	2	-
Sanofi/Clinigen	Campath/ Almtuzumab injection x1 Vial	7	-
McCarthy Toyota	Six (6) Banners	6	-
KwaCare (NPC)	30 Comfort bags	4	-
His Church	1x Couch & 10x Chairs	4	-
South Africa Haemophilia Foundation	Sponsorship for flights, accommodation, meals & conference	2	-
South Africa Haemophilia Foundation	Sponsorship for flights, accommodation, meals & conference	3	-
Sivantos (Pty) Ltd	40 BET Hearing aids	40	-
The Africa Gospel Church	Toiletries	1	-
Capitol Caterers	Tea & Lunch	5	-
Softbev (Pty) Limited	Cool drinks & medals	3	-
South Africa Medical Device Industrial Association (SAMED)	Medical Equipment & Device Procurement Workshop	53	-
Assupol	Sponsorship for different events	20	-
Assupol	Sponsorship for catering	8	-
Credit Rescue	Sponsorship for accommodation	4	-

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED – CONTINUE

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2016/17	2015/16
		R'000	R'000
Impilo Consortium	Sponsorship for catering	3	-
Unicef	Sponsorship for flight, accommodation & registration fees	24	-
Forum for Professional Nurse Leaders	Gift Voucher	1	-
Rotary of Club Pietermaritzburg and the Rotary Club of Pietermaritzburg Azalea	Medical Equipment	105	-
Leo & Sharon Van Der Sandt	Hisense 49 Inch FHD Led Television	5	-
Steps Charity NPC	Support for the Clubfoot Clinic	70	-
PMB Kidney Association	10x Food parcels	1	-
Friends of Umgeni	Ward 2B Upgrade	35	-
King Cetshwayo District Municipality Mayor	50x Toot pastes, tooth brush, face clothes & morning shoes	1	-
Various Donors	7 Beds	65	-
Church of Christ	9 Hearing Aids	16	-
Vaseline Company	Various items	10	-
Tongaat Hulett	Catering for World AIDS Day	19	-
MA Motala Islamic Centre	40 Blankets	4	-
Zx a	Sponsorship for catering	5	-
Basitsana Training Consultation	Visa Card voucher for Ms BT Goldstone	3	-
Assupol	Sponsorship for catering	2	-
Telkom South Africa	Sponsorship for Dr ST Mtshali for travel to and from China, accommodation and gifts	84	-
Basitsana Training Consultation	Lenovo laptop for Mr R Sewsunker	4	-
Basitsana Training Consultation	Lenovo laptop for Mrs MA Heyneke	4	-
World Health Organisation	Sponsorship for Dr McKerrow for accommodation, air fare and visa	32	-
World Health Organisation	Sponsorship for Mrs ZV Radebe	5	-
United Nations Population Fund (UNPF)	20 Vodafone tab 7 tablets	60	-

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED – CONTINUE

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2016/17	2015/16
		R'000	R'000
AIDS Health Care Foundation	1 000 T-shirts	60	-
Coca-Cola Fortune (PTY) Limited	10x Cases & 12 bottles of powerade	3	-
Old Mutual Pietermaritzburg	Donation of trophies	5	-
PMB Kidney Association	10x Food parcels	2	-
Ms Shirley Handwick	Pre-used table tennis	2	-
RODS Construction	Donation of Park home	65	-
Ithala	Various items	6	-
Merck (Pty) Limited	Sponsorship for Dr L Mtshali & Dr S Ngidi for flights, transfers, Accommodation, Visa, travel insurance, yellow fever vaccinations and meals	65	-
South African Society of Anaesthesiologist (SASA)	Sponsorship for Dr C Alphonsus to completion of research objective	500	-
ABJ Miller, Gift of Givers, KATA & Match	Various items	4	-
Dr Bhayat	One (1) Fridge	3	-
Merck (Pty) Limited	Sponsorship for Dr R Green-Thompson for flights, transfers, accommodation, visa, travel insurance, yellow fever vaccinations and meals	32	-
Advocate Judy Marlene	Two (2) CTG Machines	34	-
Various donors	Various items	4	-
South African Society of Physiotherapist (SASP)	Promotional material	2	-
Various donors and sponsors	Various items	6	-
Hospital Board	Laminating Machine, ECG Machine & Binding Machine	25	-
Emoyodotnet (Pty) Limited	Dino Lite Otoscope	11	-
Danielle Ashton	36 Baby bags	7	-
PMB Kidney Association	10x Food parcels	1	-
Sanofi/Clinigen	Campath injection x1 Vial, Campath injection x1 Vial	14	-
KwaCare (NPC)	90 Comfort bags	14	-

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED – CONTINUE

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2016/17	2015/16
		R'000	R'000
PCK Distributors	Choice Assorted	1	-
Vodacom	4x Cell phones	5	-
Broadreach Health Care	Shelving for filing for various facilities	172	-
Broadreach Health Care	200X CCMDD prescription books	32	-
Broadreach Health Care	Sponsorship to attend a meeting	5	-
National Department of Health	Samsung J1 Mini mobile device	2 808	-
Hospital Board	Laminating Machine, ECG Machine & Binding Machine	25	-
Emoyodotnet (Pty) Limited	Dino Lite Otoscope	11	-
Danielle Ashton	36 Baby bags	7	-
PMB Kidney Association	10x Food parcels	1	-
Sanofi/Clinigen	Campath injection x1 Vial, Campath injection x1 Vial	14	-
KwaCare (NPC)	90 Comfort bags	14	-
PCK Distributors	Choice Assorted	1	-
Vodacom	4x Cell phones	5	-
Al-Imdaas Foundation	3X Jojo tanks	14	-
Vaseline	Medical equipment & hampers	10	-
Allenco Medical and Dental Supplies cc & Batho Kopanang Distributions (Pty) Ltd	Sponsorship for various items	10	-
FHI360	28X Boxes of mother child booklets	59	-
CAPRISA	Sponsorship for catering	5	-
PATH	Sponsorship for accommodation and return flights	13	-
Broadreach Health Care	Stamps. CCMDD & Files	46	-
MATCH	Seven (7) Park homes	4 247	-
MATCH	10X Containers	897	-
Impilo Consortium	3X ECG Machines	229	-

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED – CONTINUE

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2016/17	2015/16
		R'000	R'000
Impilo Consortium	3X ECG Machines	229	-
Depuy Synthesis	Sponsorship for registration fees, accommodation, meals and travel cost	66	-
CAPRISA	Sponsorship for accommodation and travel cost	7	-
School of Clinical Medicine	Various Items	10	-
Ortho-Xact	Sponsorship for registration fees, accommodation, meals and travel cost and airport transfers	115	-
Impilo Consortium	5X ECG Machines	382	-
Friends of Umgeni	10x 49" Television sets	55	-
Friends of Umgeni	8x Mdiba Buggies	96	-
Impilo Consortium	2X ECG Machines	153	-
Impilo Consortium	6X ECG Machines	459	-
Medecins Sans Frontiers Belgium Trust, SA	Sponsorship for accommodation for three nights for Dr Kabangele	3	-
Impilo Consortium	4X ECG Machines	306	-
Impilo Consortium	3X ECG Machines	229	-
31 Club	Two plate stove/oven	1	-
Impilo Consortium	6X ECG Machines	459	-
Impilo Consortium	2X ECG Machines	153	-
Ortho-Xact	Sponsorship for registration fees, flights and accommodation	15	-
Impilo Consortium	4X ECG Machines	306	-
Impilo Consortium	6X ECG Machines	459	-
Tongaat Hullet	Sponsorship for cleaning, repairs & installation of air conditioners	44	-
Impilo Consortium	1x ECG Machine	76	-
Telkom Business	Samsomite Luggage bag & Hawaii P9 Smartphone	10	-
Johns Hopkins School of Nursing	Sponsorship for accommodation	84	-
Impilo Consortium (Consulens)	1X ECG Machine	76	-

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED – CONTINUE

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2016/17	2015/16
		R'000	R'000
Port Shepstone Rotary Anns	60X Comfort packs per month (July 2016 - June 2017	83	-
Evolabs (Pty) Ltd	Bio Oil packs	2	-
Impilo Consortium (Consulens)	4X Dialysis Machines	835	-
PMB Kidney Association	10X Food parcels	2	-
Medicins Sans Frontieres	Audiometer & other items	75	-
Various Donors	Cash Donation	9	-
Impilo Consortium (Consulens)	10x Dialysis Machines	2 088	-
Impilo Consortium (Consulens)	1X ECG Machine	76	-
Impilo Consortium (Consulens)	3X ECG Machine	459	-
Operation Smile	Sponsorship for 16 staff members to attend training	23	-
Various Sponsors	Sponsorship for travel cost and catering	21	-
Sanof/ Clinigen	Campath Injection x1 Vial	7	-
Prevailing Women (NGO)	Donation for the upgrading of Ward P5	100	-
Christian Revival Centre- Paul Lutchman Ministries	Upgrading of the TB Block	1 500	-
American Society of Colon & Rectal Surgeons	Sponsorship for scholarship to Dr Z Moolla	120	-
Impilo Consortium (Consulens)	3x Dialysis Machines	2 088	-
Icap Global Health Action	Donation of various items	7 035	-
Broadreach Health Care	Loaned IT Equipment	106	-
SAME Foundation	Renovation to Odidini Clinic	750	-
Subtotal		**68 714**	**48 531**
TOTAL		**68 714**	**48 541**

ANNEXURE 2A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2017 - LOCAL

GUARANTOR INSTITUTION	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2016	Guarantees drawdowns during the year	Guaranteed repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2017	Guaranteed interest for year ended 31 March 2017	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
ABSA	Housing	12 692	159	-	19	-	140	-	-
BOE Bank Ltd	Housing	46	-	-	-	-	-	-	-
FirstRand Bank Ltd	Housing	14 264	2 628	-	1 287	-	1 341	-	-
Green Start Home Loans	Housing	45	6	-	-	-	6	-	-
ITHALA Limited	Housing	1 973	-	-	-	-	-	-	-
Nedbank Ltd	Housing	3 269	164	-	-	-	164	-	-
Old Mutual Bank	Housing	12 898	881	-	58	-	823	-	-
Peoples Bank Ltd	Housing	446	89	-	24	24	89	-	-
SA Home Loans	Housing	51	-	-	-	-	-	-	-
Standard Bank	Housing	7 092	316	-	210	-	106	-	-
Unique Finance	Housing	102	44	-	-	-	44	-	-
		52 878	**4 287**	**-**	**1 598**	**24**	**2 713**	**-**	**-**
TOTAL		**52 878**	**4 287**	**-**	**1 598**	**24**	**2 713**	**-**	**-**

First Rand Limited amount of R 64,000.00 for prior year as Persal back dated transactions. Old Mutual amount of R 30,000.00 for prior year as Persal back dated transactions. Opening balance of R 94,000.00 was restated.

ANNEXURE 2B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2017

Nature of liability	Opening balance 1 April 2016	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2017
	R'000	R'000	R'000	R'000	R'000
Claims against the Department					
Medico Legal	6 857 936	2 745 717	373 344	-	9 230 309
Claims against the State (Transport, Labour, Civil)	5 430	124 729	700	-	129 459
Afrox	5 975	-	-	-	5 975
Subtotal	**6 869 341**	**2 870 446**	**374 044**	**-**	**9 365 743**
Other					
National Health Laboratory Services	2 791 927	-	66 478	-	2 725 449
McCord's Hospital (Medical Legal Malpractice Claims)	75 000	-	-	-	75 000
Subtotal	**2 866 927**	**-**	**66 478**	**-**	**2 800 449**
TOTAL	**9 736 268**	**2 870 446**	**440 522**	**-**	**12 166 192**

ANNEXURE 3
CLAIMS RECOVERABLE

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2016/17*	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
Agriculture	-	3	-	4	-	7	-	-
Education	-	6	24	-	24	6	-	-
Corporate Governance and Traditional Affairs	-	131	724	-	724	131	-	-
Office of the Premier	84	785	-	-	84	785	-	-
Provincial Treasury	-	-	20	-	20	-	-	-
Economic Development	-	-	-	1	-	1	-	-
Transport	-	-	2	2	2	2	-	-
KZN Department Public Works	-	-	2	2	2	2	-	-
Social Development	-	7	-	8	-	15	-	-
Rural Development	-	25	1	-	1	25	-	-
Eastern Cape - Health	-	-	-	44	-	44	-	-
Department of Defence	-	-	-	13	-	13	-	-
National Department of Health	-	-	14 511	121	14 511	121	-	-
Gauteng Health	-	-	267	-	267	-	-	-
Free State : Health	431	-	-	-	431	-	-	-
Department of Justice and Constitutional Development	-	-	27	-	27	-	-	-
TOTAL	**515**	**957**	**15 578**	**195**	**16 093**	**1 152**		**-**

CLAIMS RECOVERABLE - CONTINUE

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016
	R'000	R'000	R'000	R'000	R'000	R'000
OTHER GOVERNMENT ENTITIES						
University of KwaZulu-Natal (UKZN)	-	-	6 548	3 766	6 548	3 766
KZN Gambling Board	-	-	34	32	34	32
SITA	-	-	572	-	572	-
UMkhanyakude District Municipality	-	-	-	322	-	322
Ithala Limited	3 096	1 843	-	-	3 096	1 843
	3 096	**1 843**	**7 154**	**4 120**	**10 250**	**5 963**
Total	**3 611**	**2 800**	**22 732**	**4 315**	**26 343**	**7 115**

ANNEXURE 4

INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2016/17*	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
Current								
Department of Health & Social Development: Limpopo	-	27	-	-	-	27		-
Department of Health: Eastern Cape	74	-	-	41	74	41		-
Department of National School of Government	-	-	-	505	-	505		-
Department of Justice and Constitutional Development	10 029	3 049	-	-	10 029	3 049		-
Department of Social Development: KwaZulu-Natal	-	7	8	8	8	15		-
Department of Transport: KwaZulu-Natal	14 615	1 152	18 626	10 831	33 241	11 983		-
Departments of Public Works: KwaZulu-Natal	2 251	86 130	44 040	42 421	46 291	128 551		-
South African Police Services	-	2	-	25	-	27		-
Department of Health: North West	-	-	-	27	-	27		-
KwaZulu-Natal Provincial Treasury	4 997	394	-	-	4 997	394		-
Department of Health: Western Cape	11	-	-	-	11	-		-
								-
Subtotal	**31 977**	**90 761**	**62 674**	**53 858**	**94 651**	**144 619**		**-**

GOVERNMENT ENTITY			Unconfirmed balance outstanding		Total		Cash in transit at year end 2016/17*	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Non-current	-	-	-	-	-	-		-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**		-
Total Departments	**31 977**	**90 761**	**62 674**	**53 858**	**94 651**	**144 619**		**-**
OTHER GOVERNMENT ENTITY								
Current								
University of KwaZulu-Natal	149 287	9 138	-	115 369	149 287	124 507		
National Health Laboratory Services	444 505	356 136	-	-	444 505	356 136		
South African National Blood Services	20 350	17 648	-	22 237	20 350	39 885		
Government Printing Works	573	918	-	-	573	918		
SITA	8 774	73 849	-	-	8 774	73 849		
Independent Development Trust	22 229	31 238	-	56 724	22 229	87 962		
Auditor General South Africa	2 210	2 240	-	-	2 210	2 240		
Subtotal	**647 928**	**491 167**	**-**	**194 330**	**647 928**	**685 497**		
Total Other Government Entities	**647 928**	**491 167**	**-**	**194 330**	**647 928**	**685 497**		
TOTAL INTERGOVERNMENTAL	**679 905**	**581 928**	**62 674**	**248 188**	**742 579**	**830 116**		

ANNEXURE 5

INVENTORY

	Note	2016/17		2015/16	
		Quantity	R'000	Quantity	R'000
Inventory					
Opening balance		-	829 482	-	849 609
Add: Additions/Purchases - Cash		-	5 384 928	-	4 632 216
(Less): Issues		-	(5 205 701)	-	(4 652 343)
Closing balance		**-**	**1 008 709**	**-**	**829 482**

Additional Information:

- End Users: 78,114
- Clinics: 35 947

1. End Users comprises of the Wards and NSI Sections.

2. Inventory Management Principles, Techniques and Processes are being implemented on a phase in approach on Clinics and End Users

ANNEXURE 6

MOVEMENT IN CAPITAL WORK-IN-PROGRESS

MOVEMENT IN CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2017

	Opening balance R'000	Current Year Capital WIP R'000	Completed Assets R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	**1 077 455**	**919 261**	**(140 062)**	**1 856 654**
Dwellings	28 796	33 237	(5 321)	56 712
Non-residential buildings	975 715	744 456	(57 152)	1 663 019
Other fixed structures	72 944	141 568	(77 589)	136 923
TOTAL	**1 077 455**	**919 261**	**(140 062)**	**1 856 654**

Age analysis on ongoing projects	Number of projects		2016/17
	Planned, construction not started	Planned, construction started	"Total R'000"
0 to 1 year	3	17	10 377
1 to 3 year(s)	4	20	219 882
3 to 5 years	5	3	27 011
Longer than 5 years	9	7	521 930
Total	**21**	**47**	**779 200**

Dr Pixley ka Isaka Seme Regional Hospital started in 2006/07 and its current Work in Progress in 2016/17 is R 447,648 million.

Annual Financial Statements: KZN Provincial Pharmaceutical Supply Depot

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AUDITOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2017

PROVINCIAL PHARMACEUTICAL SUPPLY DEPOT

Report of the auditor-general to KwaZulu-Natal Legislature on Provincial Pharmaceutical Supply Depot

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Provincial Pharmaceutical Supply Depot set out on pages 394 to 414, which comprise the statement of financial position as at 31 March 2017, the statement of financial performance, statement of changes in net assets, and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Provincial Pharmaceutical Supply Depot as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.

4. I am independent of the entity in accordance with the International Ethics Standards Board for Accountants' *Code of ethics* for *professional accountants* (IESBA code) together with the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

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

Responsibilities of the accounting officer for the financial statements

6. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the PFMA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

7. In preparing the financial statements, the accounting officer is responsible for assessing the Provincial Pharmaceutical Supply Depot's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern

basis of accounting unless there is an intention either to liquidate the entity or to cease operations, or there is no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

8. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.

Report on the audit of the annual performance report

Introduction and scope

10. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof I have a responsibility to report material findings on the reported performance information against predetermined objectives for the selected programme presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.

11. My procedures address the reported performance information, which must be based on the approved performance planning documents of the entity. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

12. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the pharmaceutical service programme as presented on page 182 in the annual performance report of the entity for the year ended 31 March 2017.

13. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the

reliability of the reported performance information to determine whether it was valid, accurate and complete.

14. The material finding in respect of the usefulness and reliability of the selected programme is as follows:

Programme 7.5 – Pharmaceutical services

Tracer medicine stock-out rate

15. I was unable to obtain sufficient appropriate evidence that clearly defined the approved tracer medication list and method of calculation to be used when measuring the actual achievement for the indicator, as required by the Framework for Managing Programme Performance Information (FMPPI). I was also unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any further adjustments were required to the reported achievements.

Other matters

16. I draw attention to the matters below.

Achievement of planned targets

17. The annual performance report on pages 181 to 183 includes information on the achievement of planned targets for the year and explanations provided for the underachievement of a number of targets. This information should be considered in the context of material finding on the usefulness and reliability of the reported performance information in paragraph 15 of this report.

Adjustment of material misstatements

18. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of pharmaceutical services programme. As management subsequently corrected only some of the misstatements, I reported material findings on the usefulness and reliability of the reported performance information.

Report on audit of compliance with legislation

Introduction and scope

19. In accordance with the PAA and the general notice issued in terms thereof I have a responsibility to report material findings on the compliance of the entity with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
20. The material findings in respect of the compliance criteria for the applicable subject matters are as follows:

Expenditure management

21. Effective steps were not taken to prevent irregular expenditure amounting to R17,58 million incurred on procurement of medical suppliers as disclosed in note 17 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation (TR) 9.1.1.

22. Contractual obligations and money owed by entity were not met and settled within 30 days, as required by section 38(1)(f) of the PFMA and TR 8.2.3.

Procurement and contract management

23. Goods and services of a transaction value above R500 000 were procured without inviting competitive bids, as required by TR 16A6.1.

24. Contracts were extended without the approval of a properly delegated official as required by TR 8.1 and 8.2.

Other information

25. The accounting officer of the Provincial Pharmaceutical Supply Depot is responsible for the other information. The other information comprises the information included in the annual report which includes the general information, reports on governance and human resources management. The other information does not include the financial statements, the auditor's report thereon and those selected programme presented in the annual performance report that have been specifically reported on in the auditor's report.

26. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

27. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, and the selected programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

28. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on

the performance report and the findings on compliance with legislation included in this report.

Financial and performance management

29. Management did not implement a proper record keeping system to ensure that complete, relevant and accurate information is accessible and available to support performance reporting. Furthermore, necessary review and monitoring of compliance with applicable legislation were not effectively performed, resulting in repeat audit findings.

Governance

30. Management did not conduct a risk assessment or develop and monitored the risk strategy to address the risks. Furthermore, the internal audit unit did not evaluate entity's controls to determine their effectiveness, nor tabled the internal audit reports with the audit committee for consideration during the period under review, resulting in repeat material findings being raised on performance information as well as compliance with related laws and regulations.

Pietermaritzburg

31 July 2017

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected programme and on the entity's compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in the auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit 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.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.

- conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the Provincial Pharmaceutical Supply Depot's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor's report. However, future events or conditions may cause an entity to cease operating as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and where applicable, related safeguards.

REPORT OF THE ACCOUNTING OFFICER

For the year ended 31 March 2017

1. GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS

The Provincial Pharmaceutical Supply Depot is an entity which is incorporated in the KwaZulu-Natal Department of Health.

The principal place of business is: 1 Higginson Highway
Mobeni
4060

The Provincial Pharmaceutical Supply Depot (PPSD) has shown a net operating surplus of R27,8 million for the year ended 31 March 2017 as compared the previous year net operating deficit of R84,2 million (133 % increase on net operating deficit).

The increase in net operating profit is attributed to increase in demand for medicines and other pharmaceutical products, reduced courier costs due to direct deliveries and Provincial Treasury circular on prohibited expenditure items and unfilled vacant posts at PPSD.

PPSD is depended on the KwaZulu-Natal Department of Health for funding through the levy charged to its health facilities for procurement and distribution of pharmaceutical products and the entity will continue to operate in the future as going concern absorbed into the department. Although there has been a significance on levy reduction to the tune of R198,7 million in the period under review, PPSD continue to yield positive financial results.

Inventory purchase prices increased significantly during the period under review is attributed to substantial price increases due to the KwaZulu-Natal Department of Health participating in the National contracts.

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 were charged directly to Institutions.

1.2 The number of patients serviced increased over the previous year, largely due to due to the increase in the CD4 count threshold for initiation and Early HIV Aids Testing and Treatment Campaign, resulting in more patients becoming eligible for initiation on Anti-Retroviral Therapy (ART).

2. SERVICES RENDERED BY THE PROVINCIAL PHARMACEUTICAL SUPPLY DEPOT

2.1 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 nationally contracted suppliers and are then distributed to the various health facilities, which belong to the KwaZulu-Natal Department of Health, based on demand. Pharmaceuticals are charged at actual cost plus a mark-up of between 4% and 12% to cover the administrative costs.

2.2 The tariff policy is structured as follows:

Surcharge of 4% levied on all pharmaceutical items procured by PPSD and delivered directly by the supplier to the requisitioning institutions.

Surcharge of 5% levied on all pharmaceutical items procured by and received at PPSD and thereafter delivered to the institutions via the contracted courier.

Surcharge of 12% levied on all pharmaceuticals that involve the use of PPSD employees for prepacking.

3. CAPACITY CONSTRAINTS

3.1 Warehousing

The increasingly limited availability of warehousing has continued to contribute to capacity constraints.

3.2 Human Resources

Increased demand of pharmaceutical services by the Department's institutions has put pressure on human resources capacity. In this regard, different methods and models are being explored to improve personnel capacity to meet increased demand whilst ensuring compliance.

4. PERFORMANCE INFORMATION

4.1 Service Delivery Performance Indicators

Objective	Indicator	2016/17 (Target)	2016/17 (Actual)	Comments
PPSD compliant with good Wholesaling Practice Regulations by March 2017	PPSD compliant with good Wholesaling Practice Regulations	Complaint	Non-Compliant	Infrastructure challenges; however the Improvement Plan has been submitted to the Medicines Control Council (MCC)
Decrease medicine stock-out rates to less than 1% in all health facilities by March 2020	Tracer medicine stock-out rate (PPSD)	5%	6.3%	Suppliers unable to supply and no alternative suppliers to enable buyout against the defaulting contracted suppliers. Some of the items were procured on quotation as there were no bidders when the tenders were advertised for those items
	Number of tracer medicine out of stock	9	35	
	Total number of tracer medicine expected to be in stock	182	552	

APPROVAL

The Annual Financial Statements set out on pages 393 to 413 have been approved by the Accounting Officer.

Dr ST Mtshali
Accounting Officer
KwaZulu-Natal Department of Health
Date:

STATEMENT OF FINANCIAL POSITION

For the year ended 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
ASSETS			
Current assets		**518,417**	**282,072**
Receivables	2	295,971	94,639
Inventory	3	222,446	187,433
Non-current assets		**731**	**1,759**
Property, plant and equipment	4	731	1,759
Total assets		**519,148**	**283,831**
LIABILITIES			
Current Liabilities		**242,201**	**34,751**
Trade and other payables from exchange transactions	5	241,472	34,029
Current provisions	6	729	722
Total liabilities		**242,201**	**34,751**
Net assets		**276,947**	**249,080**
Capital by Government	Net Assets	202,372	202,372
Reserves	Net Assets	6,117	6,117
Accumulated surplus	Net Assets	68,458	40,591
Total net assets and liabilities		**519,148**	**283,831**

STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
REVENUE			
Revenue from exchange transactions		**3,812,747**	**2,943,507**
Sale of goods and rendering of services	7	3,812,734	2,943,317
Rental of facilities and equipment	8	11	16
Other income	9	2	174
Total revenue		**3,812,747**	**2,943,507**
EXPENSES			
Employees related cost	10	29,393	30,440
Depreciation and amortisation expense	11	883	1,751
Repairs and maintenance	12	690	897
General expenses	13	3,753,914	2,994,644
Total expenses		**3,784,880**	**3,027,732**
Surplus / (Deficit) for the period		**27,867**	**(84,225)**

STATEMENT OF CHANGES IN NET ASSETS

For the year ended 31 March 2017

	Revaluation Reserves	Contributed capital	Accumulated Surplus/ (deficit)	Total Net Assets
	R'000	R'000	R'000	R'000
Balance as at 31 March 2015	**6,184**	**202,372**	**124,816**	**333,372**
Correction of prior period error	-	-	-	-
Balance as at 1 April 2015 – Restated	**6,184**	**202,372**	**124,816**	**333,372**
Transfers to/ from other reserves	(67)	-	-	(67)
Surplus/ (deficit) for the period	-	-	(84,225)	(84,225)
Balance as at 31 March 2016	**6,117**	**202,372**	**40,591**	**249,080**
Correction of prior period error	-	-	-	-
Balance as at 1 April 2016- restated	**6,117**	**202,372**	**40,591**	**249,080**
Transfers to/ from other reserves	-	-	-	-
Surplus/ (deficit) for the period	-	-	27,867	27,867
Balance as at 31 March 2017	**6,117**	**202,372**	**68,458**	**276,947**

CASH FLOW STATEMENT

For the year ended 31 March 2017

		2016/17 R'000	2015/16 R'000
Cash flows from operating activities			
Receipts		**3,611,575**	**3, 049, 211**
Sales of goods and rendering of services		3,611,562	3, 049, 088
Other operating revenue		13	123
Payments		**(3,611,560)**	**(3, 049, 209)**
Compensation of Employees		(29,386)	(30, 467)
Goods and services		(3,582,174)	(3, 018, 742)
Net cash flows from operating activities	16	**15**	**2**
Cash flows from investing activities		**(15)**	**(2)**
Purchase of assets		(15)	(2)
Proceeds from sale of assets		-	-
Net cash flows from investing activities	17	**(15)**	**(2)**
Cash flows from financing activities		-	-
Proceeds from issuance of ordinary shares/ contributed cap		-	-
Net cash flows from financing activities		**-**	**-**
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		**-**	**-**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2017

1. ACCOUNTING POLICIES

1.1 Basis of preparation

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

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

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

Assets, liabilities, revenue and expenses have not been offset except when offsetting is required or permitted by a standard of GRAP.

The details of any changes in the accounting policies are explained in the relevant policy.

At the time of authorization of the financial statements for the year ended 31 March 2017, the following standards were in issue but not yet effective:

Standard		Effective date
GRAP 20	Related party disclosures	Not determined
GRAP 105	Transfer of functions between entities under common control	Not determined
GRAP 106	Transfer of functions between entities not under common control	Not determined
GRAP 107	Mergers	Not determined

All applicable standards will be adopted at its effective date. The management is of the opinion that the impact of the application will be as follows:

GRAP 20: The statement will have no effect on the financial position, performance or disclosure of PPSD as the entity currently subscribes to the requirements of this standard.

GRAP 105, 106, 107: The statements will have no effect on the financial position, performance or disclosure of PPSD as these statements will not apply to the entity.

A summary of the significant accounting policies, which have been consistently applied with those used to present the previous year's financial statements unless explicitly stated, are disclosed below:

1.2 Significant judgements, estimates and assumptions

In preparation of the Annual Financial Statements, management is required to make estimates and assumptions that affect the amounts represented in the Annual Financial Statements and related disclosures. Use of available information and the application of judgment are inherent in the formation estimates. Actual

results in the future could differ from these estimates which may be material to the Annual Financial Statements. Significant judgments include:

Trade and other receivables

The Provincial Pharmaceutical Supply Depot assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the Provincial Pharmaceutical Supply Depot, makes judgments as to whether there is observable circumstance indication, a measurable decrease in the estimated future cash flows from a financial asset.

Impairment testing

The recoverable (service) amounts of cash-generating assets and cash-generating units have been determined based on the higher of value in use, calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

Cash-generating assets are assets that are held with primary objective of generating a commercial return. Assets will generate a commercial return when the entity intends to generate positive cash flows from assets similar to profit-orientated entity. Non-cash generating assets are primarily held for service delivery purposes.

A cash-generating unit is the smallest identifiable group of assets that generate cash flows that are largely independent of the cash flows from other assets or group of assets.

Provincial Pharmaceutical Supply Depot reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, estimates are prepared of the recoverable services amount of each asset.

Provisions

Provisions are recognized when the entity has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Employee entitlement and annual bonuses are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave and annual bonuses as a result of services rendered by employees up to the balance sheet date.

Useful lives of property, plant and equipment, software and development costs

The Provincial Pharmaceutical Supply Depot‘s management determines the estimated useful lives, residual value and related depreciation charges for property, plant and equipment. This estimate is based on the pattern in which an asset’s future economic benefits or service potential are expected to be consumed by the entity.

Effective interest rate and deferred payment terms

The Provincial Pharmaceutical Supply Depot uses an appropriate interest rate, taking into account guidance provided in the accounting standards, and applying professional judgment to the specific circumstances, to discount future cash flows.

1.3 Presentation Currency

All amounts have been presented in the currency of the South African Rand (R).

1.4 Rounding

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

1.5 Going Concern

The financial statements are prepared on the assumption that the entity is a going concern as its operations will be absorbed by the department and for the foreseeable future.

1.6 Revenue

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

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

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefit or service potential associated with the transaction will flow to the Provincial Pharmaceutical Supply Depot ;
- The stage of completion of the transaction at the reporting date can be measured reliably; and
- The costs incurred for the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recordable.

Interest

Revenue arising from the use by others of entity's assets yielding interest, royalties and dividends are recognised when it is probable that the economic benefit or service potential associated with the transaction will flow to the Provincial Pharmaceutical Supply Depot; and the amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method. When a receivable is impaired, Provincial Pharmaceutical Supply Depot reduces the carrying amount to its receivable amount, being the estimated future cash flows discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

Revenue from sale of goods

Revenue is recognised at fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of entity's activities. Revenue from sale of goods is recognised when:

- Significant risk and rewards of ownership associated with ownership of goods are transferred to the buyer,
- The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the good sold,
- The amount of the revenue can be measured reliably,
- It is probable that the economic benefits associated with the transaction will flow to the entity and the cost incurred or to be incurred in respect of the transaction can be measured reliably.

The following specific recognition criteria must also be met before revenue is recognised:

- Revenue from the sale of goods is recognised when significant risks and rewards of ownership of the goods have been transferred at the point when the goods are handed over to the courier on site for delivery to respective health institutions

Revenue from non-exchange transactions

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

Transfers

Apart from Services in kind, which are not recognised, the Provincial Pharmaceutical Supply Depot recognises assets in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in-kind, are recognised as assets and revenue when it is probable that the future economic benefit or service potential will flow to the Provincial Pharmaceutical Supply Depot and the fair value of the assets can be measured reliably.

1.7 Property, plant and equipment

Property, plant and equipment are stated at revaluation amount less accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing part of the plant and equipment when that cost is incurred, if the recognition criteria are met. Likewise, when major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is calculated on a straight line basis over the useful life of the asset as follows:

Plant and equipment: 10% - 16.67%

Vehicles:	12% - 16.67%
Computer Equipment:	20% - 33.33%
Furniture and Fittings:	10% - 16.67%

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

The asset's residual values, useful lives and method of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

Valuations are performed after every three year cycle period to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any revaluation surplus is credited to the asset revaluation reserve included in the equity section of the Statement of Financial Position via other comprehensive income. A revaluation deficit is recognised in profit or loss, except that a deficit directly offsetting a previous surplus on the same asset is offset against the surplus in the asset revaluation reserve via other comprehensive income. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to a particular asset being disposed is transferred to retained earnings.

At each balance sheet date, the entity reviews the carrying amounts of its tangible 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.

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.

1.8 Financial instruments

Classification

The PPSD classifies financial assets and financial liabilities into the following categories:

- Financial assets
- Financial liabilities

Classification depends on the purpose for which the financial instruments were obtained / incurred and take place at initial recognition.

Classification is re-assessed on an annual basis, except for derivatives and financial assets designated at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Initial recognition and measurement

Financial instruments are recognised when PPSD becomes a party to the contractual provisions of the instruments. The entity classifies financial instruments, or their component parts, on initial recognition as a financial asset, financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

The financial instruments are measured initially at a fair value. For financial instruments which are not at fair value through profit or loss transaction costs are included in the initial measurement of the instrument.

Subsequent measurement

Financial assets at amortised cost, subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities consist of trade and other payables. They are categorised as financial liabilities held at amortised cost, are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method.

Impairment of financial assets

At each reporting date PPSD assesses all financial assets, other than those at fair value to determine there is objective evidence that financial asset or group of financial assets has been impaired.

For amounts due to PPSD, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default payments are all considered indicators of impairment.

Impairment losses are recognised in profit or loss

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in profit or loss.

Financial assets

Financial assets are recognised when the entity becomes party to the contractual provisions of the financial instrument.

Financial assets comprise of trade and other receivables, which are recognised at determinable (not quoted in an open market) amount from time to time between PPSD and KwaZulu-Natal Department of Health (KZN DoH). The PPSD continues to recognise this asset as there is continuing involvement in the KZN DoH banking account in terms of cash receivables.

Financial assets are measured at initial recognition at fair value, and subsequently measured at amortised cost.

Financial liabilities

Financial liabilities are recognised when the entity becomes party to the contractual provisions of the financial instrument

Financial liabilities comprise trade and other payables, which are initially measured at fair value and subsequently measured at amortised cost.

Credit Risk

Trade receivables are not susceptible to credit risk as PPSD and the controlling entity, KwaZulu-Natal Department of Health shares the same bank account. There has been no change in this risk from previous period.

1.9 Inventory

The cost price of inventory encompasses the purchase price, including import duties, transport and handling costs as well as any other costs directly attributed to the acquisition of inventories.

Trade discounts and rebates related to the purchase of inventory are deducted in determining the purchase price.

Subsequent to the initial measurement of inventory at cost, e.g. on each reporting date, inventory is measured on weighted average cost basis. According to the weighted-average method, the aggregate cost of similar items available for sale is divided by the number of units available for sale.

The carrying amount of inventory issued or sold during the year can be recognised as an expense in the statement of financial performance during the period in which the revenue is recognised.

The amount of any write-down of inventory to net realisable value or current replacement cost and all losses of inventory are recognised as an expense in the statement of financial performance.

1.10 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 PPSD.

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 are 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.

1.11 Fruitless and wasteful expenditure

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

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of expense, where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.12 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure, other than unauthorised expenditure, incurred in contravention or not in accordance with a requirement of any applicable legislation, including:

(a) The Public Finance Management Act

(b) The State Tender Board Act, or any regulations made in terms of this act, or

(c) Any provincial legislation providing for procurement procedures in that provincial government.

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial year and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such instances, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial

statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.13 Capital by Government

Capital by government represents an amount equal to the value held in a suspense account by the KwaZulu-Natal Department of Health on behalf of the Provincial Pharmaceutical Supply Depot for the procurement of pharmaceuticals.

1.14 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.

1.15 Leases

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

Finance leases - lessee

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

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

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

Operating leases - lessee

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

1.16 Related parties

Individual as well as their close family members and /or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control influence over the other party in making financial and/ or operating decisions.

Key management personnel are defined as the Chief Executive Officer and all other management reporting directly to the Chief Executive Officer or as designated by the Chief Executive Officer.

The Provincial Pharmaceutical Supply Depot operates as a entity in terms of its reporting set up / requirements with its controlling parent being the KwaZulu-Natal Provincial Health Department and is therefore regarded as a related party.

Management includes those persons responsible for planning, directing and controlling the activities of PPSD, including those in charge with governance of PPSD in accordance with legislation, in instances where they are required to perform such functions.

Transactions with related parties are recorded at cost on an accrual basis in the period in which it occurred.

1.17 Comparative figures

Where necessary comparative figures have been adjusted to conform to the changes in presentation during the current year

	2016/17 R'000	2015/16 R'000
2. Receivables		
Inter-departmental account	295,971	94,639
Total intra-departmental account	**295,971**	**94,639**
3. Inventories		
Carrying value of inventory	**222,446**	**187,433**
Finished Goods	222,446	187,433
Inventory carried at Net Realisable Value		
The following classes of inventory are carried at net realisable value:		
Finished Goods	222,446	187,433
Total	**222,446**	**187,433**
Amount recognised as an expense		
Cost of inventory sold and included in cost of sales expense line item for the year	3,745,928	2,986,175
Total	**3,745,928**	**2,986,175**

4. Property, Plant and Equipment

	2017			2016 (Restated)		
	Cost/ Valuation	Accumulated Depreciation and Impairment	Carrying value	Cost/ Valuation	Accumulated Depreciation and Impairment	Carrying value
Motor vehicles	322	(219)	103	551	(248)	303
Furniture & fittings	2,980	(2,961)	19	2,980	(2,951)	29
Computer equipment	4,941	(4,577)	364	4,926	(3,950)	976
Other assets	3,046	(2,800)	245	3,046	(2,595)	451
Total	**11,288**	**(10,558)**	**731**	**11,503**	**(9,744)**	**1,759**

Reconciliation Property, Plant and Equipment - 2017							
	Carrying value Opening balance	Additions	Disposals	Transfers	Depreciation	Revaluation	Carrying value Closing Balance
Motor vehicles	303	-	-	(160)	(40)	-	103
Furniture & fittings	29	-	-	-	(10)	-	19
Computer equipment	976	15	-	-	(627)	-	364
Other assets	451	-	-	-	(206)	-	245
Total	**1,759**	**15**	**-**	**(160)**	**(883)**	**-**	**731**

Reconciliation Property, Plant and Equipment – 2016 (Restated)								
	Carrying value Opening balance	Additions	Disposal	Transfer	Depreciation	Revaluation	Prior Year Errors	Carrying value Closing Balance
Motor vehicles	372	-	-	-	(69)	-	-	303
Furniture & fittings	273	2	-	-	(245)	-	-	29
Computer equipment	1,987	-	-	67	(1,011)	(67)	-	976
Other assets	877	-	-	-	(426)	-	-	451
Total	**3,509**	**2**	**-**	**67**	**(1,751)**	**(67)**	**-**	**1,759**

5. Trade and other Payables from exchange transactions

Trade creditors	236,147	28,654
Staff leave accrual	1,429	1,367
Other creditors	3,896	4,008
Total creditors	**241,472**	**34,029**

	2016/17 R'000	2015/16 R'000
6. Current Provisions – Performance Bonus		
Reconciliation of Movement in provisions		
Opening balance	722	749
Change in provision due to change in Estimation inputs	7	(27)
Closing balance	**729**	**722**
7. Sales of Goods and Services		
Revenue from Exchange Transactions – Sales of goods and services	**3,812,734**	**2,943,317**
8. Income from Rental of Facilities and Equipment		
Rental of facilities	11	16
Total	**11**	**16**
9. Other income		
Scrap sales	2	5
Leave pay provision (reduction)	-	169
Total	**2**	**174**
10. Employee Related Costs		
Employee related costs - Salaries and wages	21,862	22,745
Employee related costs – Contributions for UIF, Pension and Medical	4,263	4,366
Housing benefits and allowances	1,319	1,319
Performance and other bonuses	1,506	1,533
Other employee related costs	443	477
Employee Related costs	**29,393**	**30,440**

	2016/17 R'000	2015/16 R'000
11. Depreciation and amortisation Expense		
Property, plant and equipment	883	1,751
Total depreciation and amortisation	**883**	**1,751**
12. Repairs and maintenance		
Repairs and maintenance during the year	**690**	**897**
13. General Expenses		
Advertising	34	16
Bank charges	3	4
Cleaning Services	1,114	1,053
Connection charges	1,738	1,572
Consumables	200	139
Cost of sales	3,745,928	2,986.175
Entertainment	-	-
Electricity	840	787
Fuel and oil	80	95
Licence fees – vehicles	-	-
Postage	38	42
Printing and stationery	902	1096
Professional fees	-	3
Rental of office equipment	296	383
Security cost	2,440	2,883
Subscription & publication	2	7
Telephone cost	225	331
Training	-	5
Travel and subsistence – local	55	34
Uniform & overalls	-	4
Other	18	15
Total	**3,753,914**	**2,994,644**
14. Defined contribution plan		
Government Pension Fund	2,333	2,396
	2,333	**2,396**

	2016/17 R'000	2015/16 R'000
15. Cash flows from operating activities		
Surplus/ (deficit) for the year from:		
Continuing operations	27,867	(84,225)
Adjusted for:		
- Depreciation	883	1,751
- Movement in provisions	7	(27)
- (Gain) / loss on sale of assets	-	-
- Fair value adjustment to financial assets	-	(67)
Operating surplus (deficit) before working capital changes:	**28,757**	**(82,568)**
- (Increase) / decrease in inventories	(35,013)	5,879
- (Increase) / decrease in trade and other receivables	(201,172)	105,771
- Increase/ (Decrease) in payables	207,443	(29,081)
Cash generated from operations	**15**	**2**
16. Purchase of Property, Plant and Equipment		
During period, the economic entity acquired property, plant and equipment with an aggregate cost of 14 768,12. Cash payment of 14 768,12 were made to purchase property, plant and equipment.	**(15)**	**(2)**
	(15)	**(2)**
17. Irregular expenditure		
Opening balance	86,033	85,304
Irregular expenditure current year	17,576	729
Condoned or written off by Accounting Officer	-	-
Irregular expenditure awaiting condonement	**103,609**	**86,033**
18. Operating leases		
Leases		
The major category of assets leases is machinery and equipment At the reporting date the entity had outstanding commitments under non-cancellable operating leases, which fall due as follows:		
Up to 1 year	478	187
1 to 5 years	538	307
More than 5 years	-	-
Total	**1,016**	**494**

	2016/17 R'000	2015/16 R'000

19. Revaluation Reserve

The surplus arising from the revaluation of vehicles, furniture & fittings, computer equipment and other assets is credited to a non-distributable reserve. On disposal, the net revaluation surplus is transferred out while gains or losses on disposal, based on revalued amounts, are credited or charged to the statement of financial performance. Any impairment loss or derecognition of a revalued asset shall be treated as revaluation decrease. Should the impairment loss exceeds the revaluation surplus for the same asset, the impairment loss is recognized in the accumulated surplus/ (deficit).

Opening balance	6,117	6,184
Less: Asset disposal	-	(67)
	6,117	**6,117**

21. Related Party and Related Party Transactions

Related party balances	**210,679**	**94 639**
Current assets – Inter-departmental account: KZN Department of Health	210,679	94,639
Related party transactions	**3,810,200**	**2,943,317**
Sales- Medical Supplies	3,810,200	2,943,317

KZN Department of Health is the related party to PPSD because PPSD procures and supplies pharmaceutical products for the KZN Department of Health.

The key management personal is the same as KZN Department of Health and these employees are paid by KZN Department of Health, and not PPSD. Hence it has not been disclosed by PPSD.

22. Risk Management

Financial Risk Management

The entity has adopted and implemented a risk management policy to minimise potential adverse effects on the entity financial performance.

Liquidity risk

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

	2016/17 R'000	2015/16 R'000

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The entity shares the same bank account with KZN Department of Health which is managed by the KZN Department of Health. The KZN Department of Health only deposits cash with a major bank with high quality credit standing and limits exposure to any counter-party.

Trade receivables comprise of inter-company account. Management evaluated credit risk on ongoing basis relating to customers which is health facilities belonging to KZN Department of Health and found no risks exposure exist, consistent to the previous period.

23. Going concern

Accumulated surplus	**68,458**	**40,591**

We draw attention to the fact that at March 31, PPSD had accumulated surplus of R68,458 million and that PPSD's total assets exceed its liabilities by R276,947million.

The annual financial statements have been prepared on the basis accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operation and that the realisation of assets and settlement of liabilities and commitments will occur in the ordinary course of business.

24. Events after the reporting date

No events have been identified at the reporting date or after the reporting date which will lead to any adjustments to the financial statements.

HEAD OFFICE - NATALIA

Postal Address: P/Bag X9051 Pietermaritzburg 3200
Physical Address: Natalia 330 Langalibalele (Longmarket) Street Pietermaritzburg 3201
Telephone Number: 033 395 2111 (switchboard)
Web: www.kznhealth.gov.za

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