health
Department:
Health
PROVINCE OF KWAZULU-NATAL

DR PIXLEY KA ISAKA SEME MEMORIAL HOSPITAL

ANNUAL REPORT 2017/18 VOTE 7

FIGHTING DISEASE, FIGHTING POVERTY, GIVING HOPE

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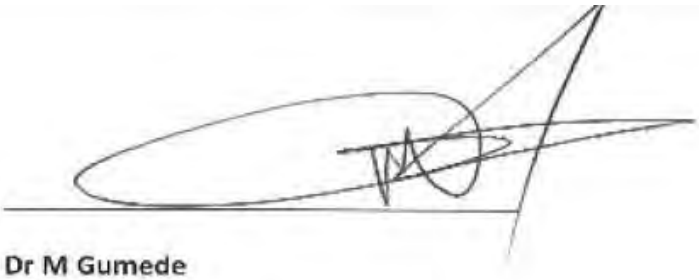
SUBMITTING THE 2017/18 ANNUAL REPORT (VOTE 7) TO THE EXECUTIVE AUTHORITY

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 2017 to 31 March 2018.



Dr M Gumede

Acting Accounting Officer

KwaZulu-Natal Department of Health

Date: 27/8/2018

PART A: GENERAL INFORMATION

DEPARTMENT'S GENERAL INFORMATION

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

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

Head Office: Natalia

Physical Address: 330 Langalibalele Street
Pietermaritzburg
3201

Postal Address: Private Bag X9051
Pietermaritzburg
3200

Telephone: 033 – 395 2111 (switchboard)

Head Office: Old Boys Model School

Physical Address: 310 Jabu Ndlovu Street
Pietermaritzburg
3201

Postal Address: Private Bag X9051
Pietermaritzburg
3200

Telephone: 033 – 815 8300 (switchboard)

Head Office: Capital Towers

Physical Address: 121 Chief Albert Luthuli Street
Pietermaritzburg
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Postal Address: Private Bag X9051
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3200

Telephone: 033 – 846 7000 (switchboard)

ABBREVIATIONS

Abbreviation	Description
A	
AEA	Ambulance Emergency Assistant
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	
BAA	Basic Ambulance Assistant
BAS	Basic Accounting System
BLS	Basic Life Support
C	
CARC	Cluster Audit and Risk Committee
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
CYRP	Couple Year Protection Rate
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 of Planning Monitoring and Evaluation

Abbreviation	Description
DR-TB	Drug Resistant Tuberculosis
DPSA	Department of Public Service and Administration
DUT	Durban University of Technology
E	
ECD	Early Child Development
ECP	Emergency Care Practitioner
ECT	Emergency Care Technician
EML	Essential Medicines List
EMR	Electronic Medical Records
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
GP	General Practitioner
GHS	General Household Survey
HCSS	Health Care Support Services
HIAC	Health Infrastructure Approval Committee
HIV	Human Immuno-deficiency Virus
HPRS	Health Patient Record System
HPV	Human Papilloma Virus
HRD	Human Resource Development
HTA's	High Transmission Areas
HTS	Health Technology Services
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
IM&T	Information Management & Technology

Abbreviation	Description
IPC	Infection Prevention and Control
IPMP	Infrastructure Programme Management Plan
IPT	Ionized Preventive Therapy
IT	Information Technology
K, L	
KCD	King Cetshwayo District
KZN	KwaZulu-Natal
KZNCN	KwaZulu-Natal College of Nursing
LG	Local Government
M	
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
MPAT	Management Performance Assessment Tool
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	
PAIA	Promotion of Access to Information Act

Abbreviation	Description
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
PICT	Provider Initiated Counselling and Testing
PIDS	Provincial Indicator Data Set
PMDS	Performance Management and Development System
PMIS	Project Management Information System
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

Abbreviation	Description
UTT	Universal Test and Treat
V, W, X	
VHF	Viral Hemorrhagic 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

It is my privilege to present the Annual Report for the 2017/18 financial year. This report provides an opportunity to reflect on the KZN Department of Health's achievements and challenges during the reporting period.

The KZN Department of Health endeavours to ensure optimal health status for all persons in KwaZulu-Natal through a sustainable, coordinated and comprehensive health system that is based on the Primary Health Care approach.

In the past financial year the KZN Department of Health focused on the following:

- Strengthening health systems effectiveness
- Reducing and managing the burden of disease
- Universal health coverage
- Strengthening human resources for health
- Improving quality of health care

The KZN Department of Health is still the major provider of health care to the citizens of the province. 28 403 348 patients visited the Primary Health care clinics and 2 071 795 patients visited the outpatients departments at the district level. Comparing the 2011/16 population cohort estimates to the 2016/21 cohort estimates, the life expectancy at birth of our population in KZN has increased from 56.4 to 60.7 years. The number of males undergoing medical male circumcisions has increased from a cumulative of 784 825 to 985 126. We are pleased to see that the rate of pregnant women accessing antenatal care before 20 weeks of pregnancy has increased from 70.2 to 72.1% while the mothers accessing postnatal care within 6 days of delivery increased from 66.8 to 76.8%. The drop in infant positivity rate around 10 weeks from 1.1 to 0.71% is further strengthening our approach towards the elimination of mother to child transmission of HIV. The rate of cataract surgeries conducted increased from 888.1 to 1 033.8/1 million uninsured population.

In the coming MTEF, more effort is required on the development of skills linked to long acting contraceptive methods, reducing neonatal deaths, reviewing hospital efficiencies via a hospital efficiency study and improvements around the complaints management system.

I would like to thank all the diligent and devoted employees, as well as our partners, who worked hard to ensure that the Department delivers on its mandate.

Dr SM Dhlomo
MEC for Health: KwaZulu-Natal Department of Health
Date: 27/08/2018

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-sectoral collaboration.

The 2015-2019 Strategic Plan is aligned with the National Development Plan, the Medium Term Strategic Framework, the Provincial Growth and Development Plan, as well as legislative and policy mandates and the burden of disease that determines needs and demands for health care in the Province.

In 2017/18 the focus of the Department was on strengthening of health systems and processes as enabling mechanisms for the implementation of quality health care services in response to the burden of disease and identified needs and demands in the Province. Improved health outcomes and inter-sectoral collaboration contributed to an increased life expectancy from 54.0 (2011/16 population cohort estimates) to 57.8 (2016/21 cohort estimates) for males and an increase from 58.7 to 63.5 for females (Stats SA Mid-year Population Estimates 2017).

Details of the actual performance of the Department during 2017/18 are included in this Annual Report, highlighting the achievements and challenges. During this financial year, the Department:

- Managed 28 403 348 patients at PHC with 4 640 618 of these patients under the age of 5 years.
- Registered a total of 750 217 households; and managed a further 6 605 088 clients at community/ household level.
- Registered a total of 1 034 621 clients on the Centralised Chronic Medicine Dispensing & Distribution Programme, thus enabling them to collect chronic medication at community level.
- Had a total of 457 of 610 clinics that achieved more than 70% on assessment against the Ideal Clinic norms and standards
- Screened 5 115 499 people for hypertension; 4 617 256 for diabetes; and 9 834 835 for mental disorders
- Decreased the in-facility maternal mortality rate from 106.7 per 100 000 live births to 101.9 per 100 000 live births.
- Decreased the mother to child HIV transmission rate from 1.1% to 0.71%.
- Decreased the number of severe acute malnutrition deaths under 5 years, in facility from 230 to 200 and decreased the diarrhoea in facility deaths under 5 years from 192 to 116.
- Decreased the diarrhoea with dehydration incidence from 12.5/1000 to 7.9/1000; pneumonia incidence from 58/1000 to 43.3/1000; and severe acute malnutrition incidence from 4.6/1000 to 2.4/1000.
- Increased the number of children under 1 year fully immunised by 9.9% (from 189 516 to 208 294)
- Tested a total of 3 050 729 people for HIV; performed 205 569 medical male circumcisions; and had a total of 1 271 116 patients remaining on ART at the end of March 2018 (49 601 of these were children under the age of 15 years).
- Decreased the TB incidence (detection rate) from 511.3 per 100 000 to 481 per 100 000 population; and decreased the number of people who died during TB treatment from 561 to 492.

ENABLING SYSTEMS

In 2017/18, 68 125 posts were filled with a vacancy rate of 8.00% as at 31st March 2018. The filling of critical vacant posts has been delayed due to the inadequate Compensation of Employees budget. The challenges in recruiting and retaining skilled professionals in certain categories continued to plague the department.

In order to address the skills shortage in the medical profession, the department had 939 students in training (231 at local universities and 708 within the Nelson Mandela/Fidel Castro Medical Collaboration Programme). The first phase of implementing the "Decentralised Training Model in PHC" for health care professionals, in partnership with UKZN, commenced in the last quarter of 2015/16. Implementation of this model is set to be a first in the country.

The Departmental Nursing Colleges offers nurse training and the total number of students currently in training is 2 638. Of these students, 2 144 are enrolled for basic programmes, 324 enrolled in advanced specialist programmes and 170 are training through partnership with the University of KwaZulu-Natal in the Primary Health Care Diploma course.

The revitalisation of infrastructure continues to play a vital role in improving the environment for patients using public health facilities. Although several infrastructure projects, including the building of new facilities were put on hold as a result of budget constraints, some major projects were completed. Completed projects during this period include Msizini Clinic at Msinga, a project worth R 8.4 million. Mpophomeni Clinic in Umhlabuyalingana has recently been completed at a cost of R15.7 million including nurses' residence. At Umsunduzi, the Department has spent more than R60 million and completed major refurbishments and upgrading of the historical ex Old Boys Model School building. The building has now been turned into modern offices housing the Supply Chain Management unit and also provides storage areas for inventory and samples.

In dealing with the water shortage and ensuring readiness for a possible drought recurrence, the department continues to equip the clinics with 20 to 100kl water tanks for water storage. During the period under review 18 water tanks were completed at various institutions and clinics around the province as follows: Queen Nolonolo, Ekubungazeleni, Zilulwane, Hlobane, Luneburg, Nkunzana (Nongoma), Mason, Ncotshane, Mdumezulu, Ballito, kwaDukuza, Shakaskraal, Nandi, Groutville, Hlomendlini, Otimati, Machibini and Zwelisha Clinics.

The following institutions were also provided with generators as part of the ongoing programme to provide backup power to the health institutions to avoid disruption of services resulting from power outages: Phoenix Assessment Centre, Phoenix Community Health Centre, Tongaat Community Health Centre and Umphumulo, Montebello, Hillcrest, Clairwood and Osindisweni Hospitals.

The department also completed major maintenance projects in the following clinics: Amaoti, Fredville (K3), KwaNgcolosi, Lindelani, Mpumalanga and Msunduzi Bridge. Other completed projects include the upgrading on 14 lifts in Addington Hospital as well as two lifts at Charles Johnson Memorial Hospital.

Projects that are currently ongoing include the new Dr Pixley ka Isaka Seme Memorial Hospital. This is one of the Strategic Infrastructure Projects which, upon completion, will greatly assist the communities north of eThekwini. It is a new 500 bed Regional Hospital which is being built at Bridge City, in KwaMashu. The project is on track to finish in May 2019 at a cost of R 2.8 billion.

The Bruntville CHC project in Mpofana is underway where there is construction of a new dispenser dispatching room; sheltered pathways and installation of ramps. Work is envisaged to be completed in August 2018 at a

cost of R10.3 million. The recent fire outbreak in this institution has caused a major delay in the completion of the project.

Massive work is being carried out at Ngwelezana Hospital at a cost of R312 million that entails demolition of old structures and construction of the new 192 bed medical ward block and upgrading of the ageing water and fire reticulation. Construction of the medical wards is complete and will be commissioned by the end of July 2018 once the upgrading of water reticulation is complete.

Construction of an extra-large clinic in Groutville is currently underway at a cost of R52 million and completion is expected for September 2019. In Vryheid hospital the Department is currently undertaking the construction of a 44 bed neonatal unit at a cost of R11.6 million. Completion is expected on 11th July 2018.

A massive construction project has been awarded for Hlabisa hospital involving construction of a new OPD, Accident and Emergency and Allied services at a cost R171 million. The construction will run for 3 years and will be completed in July 2021.

Renovation of the existing Nursery as well as Psychology and Physiotherapy units and a Fluid store at King Edward VIII Hospital is currently underway at a cost of R55 million. Completion is estimated in December 2019.

The department was assisted by Provincial Treasury to develop comprehensive financial management strategies to overturn the significant unauthorised expenditure from R 490 million (2015/16) to R 18.997 million (2016/17). This trend has been sustained in the 2017/18 Fiscal year (Annual Financial Statements) wherein no unauthorised expenditure has been recorded.

The approved Turnaround Plan also seeks to reverse poor audit outcomes, prevent irregular, fruitless and wasteful expenditure, and enhance the efficiency gains across various cost elements in the department. The department is also embarking on the implementation of an improved Asset Management system as well as an automated Supply Chain Management system. A feasibility study is earmarked for completion during 2018/19 in this regard.

FINANCIAL PERFORMANCE

Table 1: Departmental Receipts

Departmental receipts	2017/2018			2016/2017		
	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	232,069	268,988	(36,919)	255,372	256,922	(1,550)
Fines, penalties and forfeits	61	70	(9)	21	36	(15)
Interest, dividends and rent on land	71	145	(74)	135	3,316	(3,181)
Sale of capital assets	12,600	6,897	5,703	12,000	970	11,030
Financial transactions in assets	15,707	21,672	(5,965)	16,182	36,860	(20,678)

Departmental receipts	2017/2018			2016/2017		
	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
and liabilities						
Total	**260,508**	**297,772**	**(37,264)**	**283,710**	**298,104**	**(14,394)**

The Department generates its revenue largely from patients' fees which includes claims from medical aid for services rendered, Road Accident Fund and services rendered by hospitals to patients from other departments. It also generates revenue from the use of department facilities and accommodation by the staff which includes boarding fees, casual lodgers and parking fees.

During the previous two financial years, the department has seen substantial over collection against sale of goods and services as a result of a concerted effort to ensure revenue recoveries and through the provision of training to the institutions. The set revenue target was exceeded by R37.264 million. The target revenue collection for 2017/18 was R260.508 million and the actual revenue collected was R297.772 million.

TARIFF POLICY

An additional source of revenue for the department, over and above its voted amount and Conditional Grant funding, is patient fees which are charged using the Uniform Patient Fee Schedule as prescribed by the National Department of Health and it is reviewed annually. Boarding fees are treated as part of the housing allowance which is negotiated at Bargaining Council.

FREE SERVICES

Free services rendered by the Department are in line with the Uniform Patient Fee Schedule and it includes primary health care services at all the Clinics and Community Health Centres. Old age pensioners, children under six years and pregnant women who are not members of medical aids are beneficiaries of this free service.

Table 2: Programme Expenditure

Programme Name	2017/2018			2016/2017		
	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	695,727	695,727	0	682,196	683,440	(1,244)
Transfers and subsidies	5,893	5,893	0	6,213	17,443	(11,230)
Payment for capital assets	26,683	26,683	0	49,658	257	49,401
Payment for financial assets	108,352	108,352	0	107,607	144,534	(36,927)
Total	**836,655**	**836,655**	**0**	**845,674**	**845,674**	**0**
District Health Services						

Programme Name	2017/2018			2016/2017		
	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	18,386,275	18,412,434	(26,159)	17,099,390	17,198,336	(98,946)
Transfers and subsidies	571,737	597,021	(25,284)	450,842	458,294	(7,452)
Payment for capital assets	275,099	217,302	57,797	158,854	67,311	91,543
Payment for financial assets	19	19	0		30	(30)
Total	**19,233,130**	**19,226,776**	**6,354**	**17,709,086**	**17,723,971**	**(14,885)**
Emergency Medical Services						
Current payment	1,325,342	1,325,342	0	1,186,198	1,189,528	(3,330)
Transfers and subsidies	4,699	4,699	0	3,779	3,779	
Payment for capital assets	47,536	47,536	0	19,286	15,956	3,330
Payment for financial assets	0	0	0	0	0	0
Total	**1,377,577**	**1,377,577**	**0**	**1,209,263**	**1,209,263**	**0**
Provincial Hospital Services						
Current payment	10,224,113	10,224,114	(1)	9,670,623	9,621,228	49,395
Transfers and subsidies	297,817	297,816	1	92,163	193,032	(100,869)
Payment for capital assets	117,306	117,306	0	56,017	8,655	47,362
Payment for financial assets	(25)	(25)	0	0	0	0
Total	**10,639,211**	**10,639,211**	**0**	**9,818,803**	**9,822,915**	**(4,112)**
Central Hospital Services						
Current payment	4,754,835	4,754,835	0	4,499,505	4,472,417	27,088
Transfers and subsidies	11,715	31,646	(19,931)	21,251	48,533	(27,282)
Payment for capital assets	97,573	77,642	19,931	13,401	13,207	194
Total	**4,864,123**	**4,864,123**	**0**	**4,534,157**	**4,534,157**	**0**
Health Sciences and Training						
Current payment	933,698	933,698	0	887,101	887,101	0
Transfers and subsidies	310,371	310,371	0	313,451	313,940	(489)
Payment for capital assets	1,981	1,981	0	522	33	489
Payment for financial assets	0	0	0	0	0	0
Total	**1,246,050**	**1,246,050**	**0**	**1,201,074**	**1,201,074**	**0**
Health Care Support Services						
Current payment	202,295	189,492	12,803	290,123	268,086	22,037
Transfers and subsidies	1,261	1,261	0	636	636	0
Payment for capital assets	7,449	7,449	0	9,609	46	9,563
Total	**211,005**	**198,202**	**12,803**	**300,368**	**268,768**	**31,600**
Health Facilities Management						

Programme Name	2017/2018			2016/2017		
	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	425,744	425,744	0	419,595	419,726	(131)
Transfers and subsidies	0	0	0	0	0	0
Payment for capital assets	1,096,983	1,096,983	0	1,000,980	1,000,849	131
Total	**0**	**0**	**0**	**1,420,575**	**1,420,575**	**0**
Departmental Total	**39,930,478**	**39,911,321**	**19,157**	**37,039,000**	**37,026,397**	**12,603**

UNAUTHORISED EXPENDITURE

The department incurred no unauthorized expenditure. The balance of R 18.997 million *(Note 10*) is for the prior year 2016/17 which is awaiting approval from the Standing Committee on Public Accounts.

PUBLIC PRIVATE PARTNERSHIP

The department has a public private partnership agreement in place with Cowslip Investments (Pty) Ltd and Impilo Consortium for the delivery of non-clinical services to the Inkosi Albert Luthuli Central Hospital. Details of the PPP and the transactions relating thereto are disclosed under notes of the financial statements (*Note 30*). The PPP agreement was extended for a further 3 years with expiry in year 2020.

SUPPLY CHAIN MANAGEMENT

The department has finalised its contract register and is in the process of improving its outcomes with the assistance of the Provincial Treasury intervention team.

GIFTS AND DONATIONS

Donations to the value of R 44.291 million were received and are reflected in annexure 1G of the Financial Statement as is utilised in accordance with the donor request.

EVENTS AFTER REPORTING DATE

No event subsequent to balance sheet date occurred.

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 utilize the original approach which had been accepted by the Auditor-General.

Disclosure of immovable assets

The disclosure of immovable assets is included under the 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 the outstanding debt owed for laboratory services has not been finalised. The contingent liability has been disclosed under Contingent Liabilities Annexure 2B. A task team has been appointed to develop and recommend a billing system as per the National Minister's recommendation.

SUBSEQUENT EVENTS / MATTERS

The Department operates a Trading account for Provincial Pharmaceutical Supply Depot (PPSD) within the Department. However PPSD prepared separate Financial Statements for 2017/18, and prior financial years. It must be noted that with effect from 2018/19, pending National Treasury approval, the financial information of PPSD will be incorporated in the department's financial statements.

APPROVAL

The Annual Performance Information set out on pages 82 to 199 and Annual Financial Statements set out on pages 264 to 382 and 397 to 416 are hereby approved by the Acting Accounting Officer of the Department of Health: KwaZulu-Natal.

Dr M Gumede

Acting Accounting Officer

KwaZulu-Natal department of Health

Date 27/08/2018

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 Statement (Part E) has 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 Statement and for the judgements made on 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 Statement.

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 2018.

Yours faithfully,

Dr M Gumede

Acting Accounting Officer

KwaZulu-Natal Department of Health

27/08/2018

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 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 Policy 2017
- Human Resources for Health Policies and Frameworks
- Public Finance Management Act
- Treasury Regulations
- 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 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	**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 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	By 2030, reduce the global maternal mortality ratio to less than 70 per 100,000 live births By 2030, end preventable deaths of new-borns 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 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

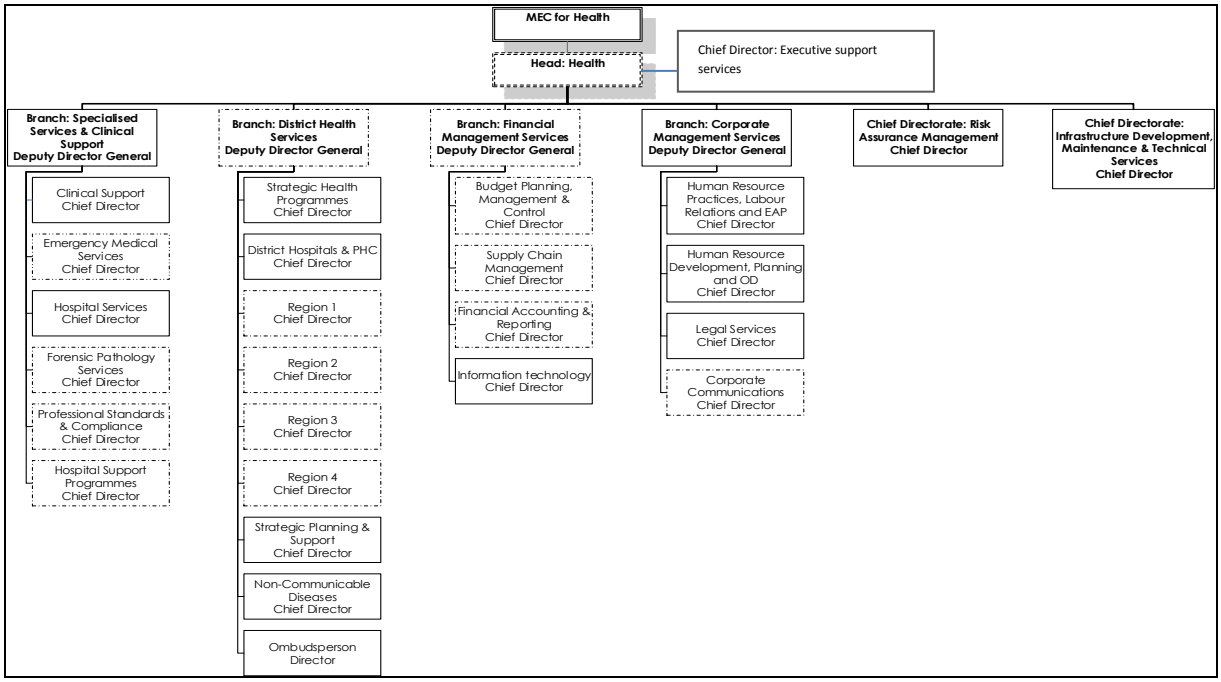
KZN Strategic Goals 2015-2019	National Development Plan 2030	Medium Term Strategic Framework 2014-2019	Provincial Growth & Development Plan 2035	Sustainable Development Goals 2030
	disease burden and promote health		reduce local malaria incidence	accidents By 2030, ensure universal access to sexual and 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 accountability mechanisms	**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
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

Figure 1: Macro Organisational Structure



Entities Reporting to the MEC for Health

Table 4: Table of Entities Reporting to MEC in 2017/18

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
N/A	N/A	N/A	N/A

PART B: PERFORMANCE INFORMATION

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 254.

OVERVIEW OF DEPARTMENTAL PERFORMANCE

SERVICE DELIVERY ENVIRONMENT

According to mid-year population estimates, the KZN population increased from 11 079 717 in 2016 to 11 074 784 in 2017[1], and the uninsured population increased from an estimated 9 761 231 to 9 756 887[2]. The main beneficiaries for public health services remained the uninsured population.

Table 5 quantifies the service delivery platform that catered for public health services in KZN in 2017/18.

Table 5: 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	51	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	53	1	4	0	0	0	0	0	0
Amajuba	25	1	1	2	0	0	0	0	0
Zululand	71	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	39	1	4	0	0	0	1	1	0
eThekwini	119	8	3 (+1)[5]	6	1	1	2	1	2
KZN Total	598	21	39	13	3	1	9	6	2

Notes on Table 4

Catchment populations per clinic are influenced by the unique topography and demography in the Province (including population density and household distribution) and location of facilities. Inequities in allocation of human resources remained a challenge with the average PHC workload per Professional Nurse (PN) ranging between 4 and 174 patients per PN per day. (WebDHIS 12th July 2018).

[1] Stats SA 2016 and 2017 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)

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 does not make provision for quantifying district and regional level of care sought by patients, which affects decision-making and resource allocation.

Clairwood Hospital is rendering mainly step-down services for eThekwini.

Reporting:

McCords Provincial Specialised Eye Care Hospital is still classified as a District Hospital on DHIS but is reported as a Regional Hospital.

King Dinuzulu Hospital is classified as a Regional Hospital but classified as a Specialised TB Hospital in the District Health Information System (DHIS). In addition, it is reported as a District Hospital (400 level 1 beds). Submissions have been made to the National Department of Health to correct the DHIS.

There have been changes in municipal boundaries during the 2016/17 planning cycle affecting the reporting and supervision of a few clinics. During the 2017/18 year reporting and oversight structures where amended however for the purposes of the annual report, the number of clinics per district has remained as per published annual report. This has been adjusted in the 2018/19 Annual Performance Plan. The number of clinics provincially remains at 598 (as per WebDHIS).

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. Queen Nandi 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

Oversight and Leadership

The Department has not been able to fill some of the most critical top management posts which include the one for Chief Financial Officer's and Chief Director for Supply Chain Management. The Department has ensured that at least there is someone acting in these posts.

Budget constraints

The budget cuts are a big challenge for the Department and have started to have effects on all levels of service delivery. Treasury has assisted the Department through provincial allocations to bridge the gaps created by Census 2011 budget cuts, medical inflation, exchange rate fluctuation and National Health laboratory Services (NHLS).

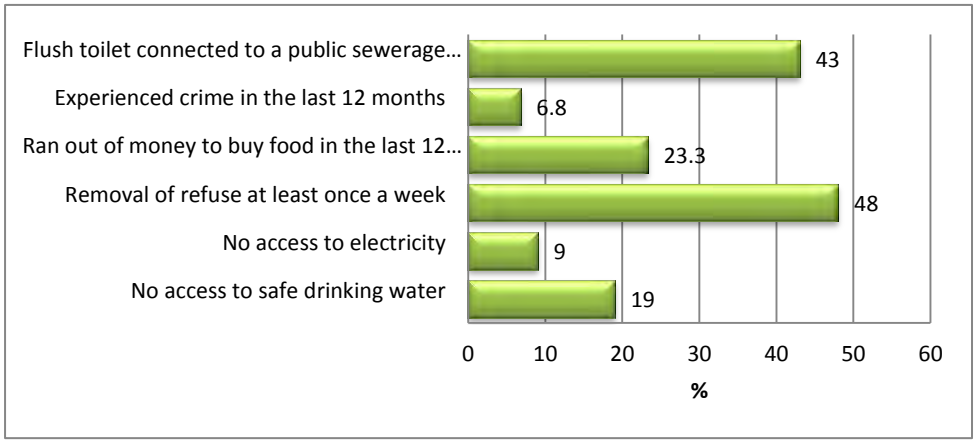
Asset Management System

The Department is using a manual asset management system despite having about 900 000 assets distributed among about 830 sites. The Department has made an effort to introduce an electronic asset management system without success.

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. Graph 1 provides a condensed overview of social determinants of health in 2016.

Graph 1: Social Determinants of Health in KZN, 2016



Source: 2016 Community Survey - KwaZulu-Natal profile

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

Main challenges

- Infrastructure (space for optimal patient flow, bulk water supply and back up electricity in the form of Uninterrupted Power Supply (UPS) or Generators
- Lack of vital equipment for the Municipal clinics in eThekwini district

Mitigating strategies

- Ensure that baseline status determination is performed in all facilities by Facility Managers.
- Ensure that baseline status determination is performed in all facilities by the Perfect Permanent Team for Ideal Clinic Realisation and Maintenance (PPTICRM)
- Lobby for more support from Health Technology Services (HTS) for more equipment for all facilities that has been identified as lacking
- Lobby for more support from Supply Chain Management (SCM) Unit in fast tracking the procurement of required equipment timeously
- Strengthen support and supervision for improved maintenance and sustainability of the ideal status through supporting the phased implementation of the sub-district and community based service delivery models.
- Facilitate the procurement of patients' records and high density filing cabinet for the rest of the province.
- Follow up on the provincial 5 year Infrastructure plan to see how much the province receives for 2018/19. The 2018/19 allocation will help the Infrastructure unit to attend to some of the needs identified by facilities.

Table 6: Main services and standards

Main services	Beneficiaries	Current/ Actual Standard of Services (2016/17)	Desired Standard of Services	Actual Achievement (2017/18)
PHC Services: Complaints resolution	Public health beneficiaries and users	88.4% Patient complaints resolved within 25 working days	88.5% Complaints resolved within 25 working days	89.7 % of complaints received resolved within 25 working days. Complexities of some complaints resulted in extending the resolution period

Table 6, above, shows the performance in terms of complaints resolution for PHC services. The target of 88.5% was exceeded by 1.2%.

Table 7: Batho Pele arrangements with beneficiaries

Current Arrangements (2016/17)	Desired Arrangements	Actual Achievements (2017/18)
Consultation		
District Management, Hospital Boards and Clinic Committees are consulted and participate in the implementation of the programme – Ongoing consultation with stakeholders and service providers	Maintain status quo	Status quo maintained
Access		
98 030 (NHI districts only)	15% increase per annum on baseline	1 034 621 patients registered (1055.4%)
Estimated 80% of facilities adhered to operating hours according to the service board	66% of facilities adhering to operating times as per service board	100% of facilities adhering to operating times as per service board
Information		
Partial adherence to signage requirements	66% adherence to standardised signage requirements	59% (358/610) adherence to standardised signage requirements

Current Arrangements (2016/17)	Desired Arrangements	Actual Achievements (2017/18)
All patients are informed of medicine pick-up points	More patients will be kept informed in accordance with the increased enrolment	All patients in all PHC facilities are informed of medicine pick up points available and all stable clients are encouraged to use the services at pickup 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
Courtesy		
Partial compliance with the following • Relevant dress codes including identifying devices • Queue marshals • Appropriate mechanisms for management of patient complaints, compliments and suggestions	400 facilities fully compliant	486 facilities fully compliant
Openness and Transparency		
Clinic committees are kept informed about clinic operations and progress, management of complaints, financial matters, burden of disease	Clinic committees are kept informed about clinic operations and progress, management of complaints, financial matters, burden of disease	Clinic Committees are kept informed about clinic operations and progress, management of complaints, financial matters, and burden of disease.[6]
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	R 394 PHC cost per headcount	R411 PHC cost per headcount
Tracer medicine stock outs 2%	Tracer medicine stock outs 2%	1.6% Tracer medicine stock outs

Table 7 above shows that the majority of the Batho Pele targets were met except for the one on standardised signage.

Table 8: Service delivery information tool

Current/ Actual information tools (2016/17)	Desired information tools	Actual achievements (2017/18)
Signage indicating names and location of facilities, hours of operation and package of services. 188 (30.7%) clinics have standardised signage.	Signage indicating names and location of facilities, hours of operation and package of services. 400 clinics have standardised signage.	358 (59%) clinics have standardized signage

[6] There are 421 fully functional Clinic Committees

With reference to Table 8 above, the number of clinics with standardised signage increased from 188 in 2016/17 to 358 in 2017/18 (Table 7). The target of 400 was not met because facilities rely on the cost centre managers for the installation of signs and in some cases the members of the community remove the signs.

Table 9: Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Health Ombudsperson managing complaint management including feedback	Health Ombudsperson managing complaint management including feedback	Ombudsperson managing complaints reported to the head office and through the presidential hotline

ORGANISATIONAL ENVIRONMENT

Strike action

No strike action took place in the year of reporting.

Significant system failure

There were no significant system failures during the reporting period.

Key Policy Developments and Legislative Changes

Policy developments

Implementation of the new shortened 9 months MDR-TB treatment regimen (1st May 2017)

Legislative changes

There were no legislative changes during the period under review

PROGRESS AGAINST 2015 – 2019 STRATEGIC OUTCOME ORIENTED GOALS

STRATEGIC GOAL 1: STRENGTHEN HEALTH SYSTEMS EFFECTIVENESS

THE LONG TERM PLAN [7]

The Provincial Turn-Around Plan, that informs the Long Term Plan, has not been finalised as a result of delays due to a number of changes in Senior Management. The Development of HR Long Term Plan and Service Rationalisation Plan has commenced. The process will be delayed and run parallel to the next 5 year strategic planning cycle.

MEDICO-LEGAL LITIGATION

A total of 479 new medico – legal claims were received during the 2017/18 financial year. The breakdown of the claims was as follows:

- Promotion of Access to Information Act (PAIA) = 169
- General = 26
- Neurology = 1
- Obstetrics and Gynecology = 182
- Ophthalmology = 3
- Orthopedics = 6
- Pediatric = 4
- Surgical = 86
- Urology = 2

The total amount paid was R 463 055 733.94.

INFORMATION MANAGEMENT

Roll-out of the web-based information system: The webDHIS was rolled out to all districts in December 2016 using a phased approach commencing with Hospitals and CHCs. By the end of the current financial year, the Department has made substantial progress in ensuring all that targeted users were trained on the system. To date 72 hospitals, 21 community health centres and 96 clinics have implemented the webDHIS in order to capture routine health performance information. In order for remaining clinics to utilise the webDHIS, it is a requirement for them to be connected to a network, a plan which the Department is currently working on. The Department has started a training programme for the clinics in the interim. The training programme also allows users to receive certification if they successfully complete the curriculum. The Department will continue to implement the webDHIS in line with the connectivity plan and anticipates that all health facilities in KZN will implement and utilise the system by the end of the 2018/2019 financial year. The benefits of the webDHIS include access to the data within 24 hours at all levels. Access to data is not only limited to information users, but to all Managers who are required to monitor their data. This encourages use of data and will assist with the improvement of data quality over a period of time.

Standardize/rationalise data collection tools: All data collection tools have been aligned to the National Indicator Data Set for 2017. Clinic, community health centre and hospital tools have been customised according to the package of services rendered. The Department experienced challenges in processes relating

[7] 2017/18 APP report (WIP7)

to the procurement and supply of the clinic registers that are used for the recording of Primary Health Care data and have not been able to provide sufficient stationery to clinics during this financial year. This issue is currently receiving high priority and will be procured during the 2018/19 financial year. The Department has developed and implemented a standardised data collection tool at all private hospitals in the province. This will allow the Department to review and monitor essential data across the province at a hospital level.

PHC ENGINEERING

Priorities for District Health Services include

- the re-engineering of PHC services,
- the provision of GP services at a clinic level in NHI districts,
- the implementation of the Ideal Clinic and
- improved supervision

PHC re-engineering was designed to strengthen the PHC service delivery platform and allow for the movement of funds from District Hospital level to PHC / community level. This shift in funding is evident in the steep increase in the cost of PHC services which could be attributed to an increase in PHC staff at fixed clinics. Between 2013/4 and 2017/18, there has been an increase in the professional nurse cadre at PHC level. This increase of staffing correlates with the increase in responsibility as HIV / AIDS councilors are phased out and a more holistic approach to health care is being implemented with screening increasing in importance.

IDEAL CLINIC PROGRAMME

The National Health Insurance strategy is in the 2nd phase (6th to 10th year) of implementation with all PHC health facilities having to be compliant to Ideal Clinic standards by March 2020, as part of the rollout of this strategy.

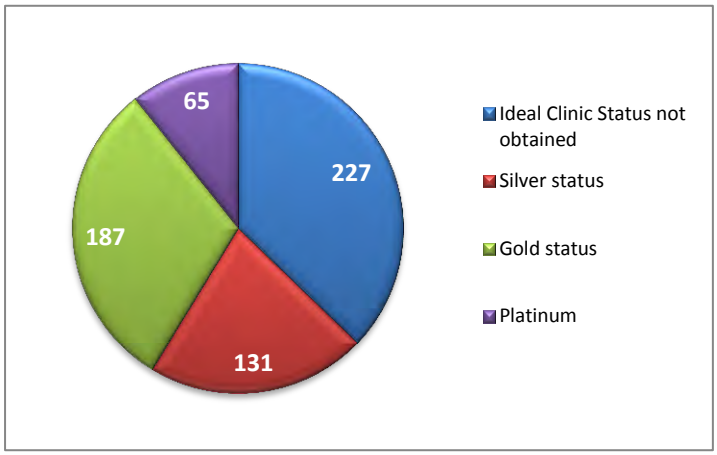
As at March 2018, 44% of all PHC clinics are compliant to Ideal Clinic standards nationally with KZN contributing the largest number at 383 (Table 10).

Table 10: National progress with Ideal Clinic 2017/18

Province	Total # of facilities	Total # of Ideal Facilities	% of Ideal Facilities
Eastern Cape	768	157	20%
Free State	223	114	51%
Gauteng	370	291	79%
KwaZulu-Natal	600	383	64%
Limpopo	479	121	25%
Mpumalanga	287	87	30%
Northern Cape	161	89	55%
North West	308	121	39%
Western Cape	267	144	54%
Total	**3 463**	**1 507**	**44%**

Source: Ideal Clinic Report dated 18th April 2018

Graph 2: Ideal Clinic Status Distribution per Category as at March 2018, KZN



Source: Ideal Clinic Report 2017/18 generated 14th April 2018

Graph 2 shows the 610[8] clinics in KZN and the number receiving Silver, Gold and Platinum Status. An "Ideal Clinic" is defined as a clinic with good infrastructure, adequate staff, adequate medicines and supplies, good administrative process and sufficient adequate bulk supplies. The Ideal Clinic framework was developed to set out the criteria for PHC facilities to provide good-quality health services. The framework is used as an assessment tool to conduct status determinations (SD) at all PHC facilities. The assessment tool consists of 10 components and 32 sub-components. Each sub-component contains a number of elements and some elements are further defined by checklists. Each element is assigned a specific weight i.e. vital, essential and important. In order for a facility to obtain Ideal Clinic Status, the facility must at a minimum score 90% for elements weighted as Vital, 70% for elements weighted as Essential and 68% for elements weighted as important. This will give the facility a silver status. Depending on how a facility performs in a status determination, it will be scored and subsequently categorised as silver (70-79%), gold (80 – 89%) and platinum (90 – 100%) or no category achieved.[9]

In KZN, 164 clinics were identified for scale up during 2017/18 with 80 facilities (48.8%) achieving Ideal Clinic status. During 2016/17, 303 clinics achieved Ideal Status of which 60 facilities attained platinum status. For KwaZulu-Natal, 227 PHC facilities still need to meet the minimum required standard for Ideal Clinic status to be awarded (Figure 3). Infrastructure and poor attention to Vital Data Element requirements, i.e. checking of the Emergency Trolley every day or after usage are 2 of the reasons for non-compliance. The subjectivity of Peer Reviews has also been questioned during 2017/18, as criteria/standards are not uniformly imposed across districts and Provinces. Table 10 below shows the district breakdown for the facilities that obtained gold and silver statuses as well as those that were identified for scale-up.

Table 11: Provincial Ideal Clinic Status Report – 2017/18

District	Total # of facilities identified for scale-up in 2017/18	# Facilities Silver Status	# Facilities Gold Status	Total # of Ideal Facilities
Amajuba	1	0	1	0
eThekwini	52	11	3	1
Harry Gwala	17	3	2	0
iLembe	7	1	3	0
King Cetshwayo	19	5	5	0
Ugu	25	5	10	1
uMgungundlovu	-	-	-	-

[8] Table 10 shows the 2014/15 figure of 600.
[9] KZN ICRM Report dated 18th April 2018

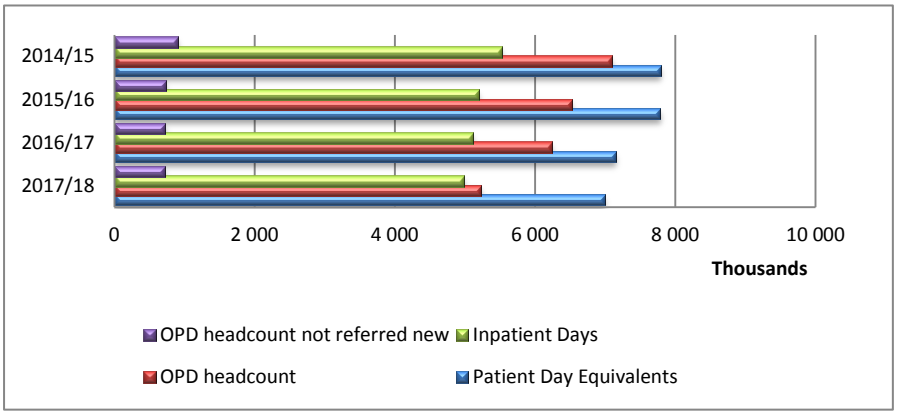
District	Total # of facilities identified for scale-up in 2017/18	# Facilities Silver Status	# Facilities Gold Status	Total # of Ideal Facilities
Umkhanyakude	16	3	5	0
Umzinyathi	-	-	-	-
Uthukela	12	0	9	0
Zululand	15	2	7	3
KwaZulu-Natal	**164**	**30**	**45**	**5**

Source: Ideal Clinic Report 17/18 dated 14th April 2018

HOSPITAL SERVICES

The average length of stay decreased for District (5.7 to 5.4 days), Specialised TB (48.4 to 48 days), Tertiary (7.7 to 7.5 days) and Central (8.7 to 8.4 days) hospitals.

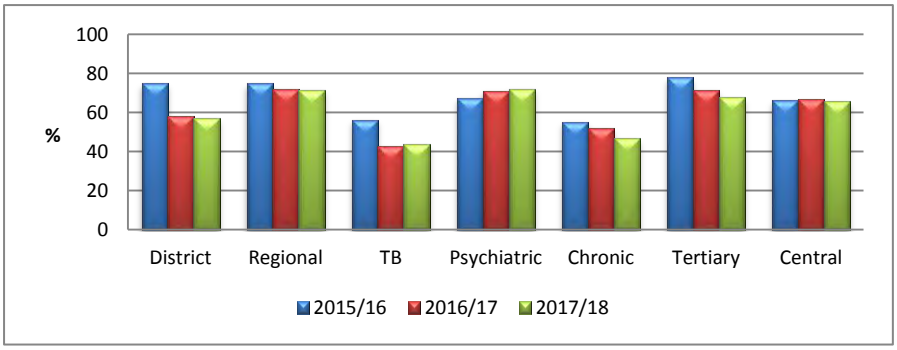
Graph 3: Hospital Activity in KZN DoH



Source: DHIS/WebDHIS

There is a downward trend for Inpatient days, OPD headcount, OPD headcounts not referred new and Patient Day Equivalents as seen in the graph.

Graph 4: Inpatient Bed Utilisation, KZN



Source: DHIS/WebDHIS

In figure 5 above, the decrease in the inpatient bed utilization rate has been noted for most hospital types excluding Psychiatric and TB hospitals.

EMERGENCY MEDICAL SERVICES

The EMS service attends to more than half a million emergency cases every year. In 2017/18, the total number of EMS clients was 457 656 and the number of inter facility transfers was 176 238. Response times achieved in 2017/18 are as follows; the percentage of response times to red codes (P1) within 15 minutes for urban areas was 23% and the percentage of response times to red codes (P1) within 40 minutes for rural areas was 36 %

against the target of 36%[10]. The population per scheduled operational ambulance is currently 56 230 as opposed to the national norm of 1 ambulance per 10 000 population. This gap places a huge amount of pressure on the delivery of services. As indicated in the table below a further 767 operational ambulances are required in KZN in order to meet the norm.

Table 12: Current operational ambulances vs required operational ambulances

District	Population	Current schedule operational ambulances	Required operational ambulances (1:10 000)	Gap
Amajuba	514 977	24	51	*27*
eThekwini	3 492 345	53	349	*296*
Harry Gwala	640 790	20	64	*44*
iLembe	478 536	22	48	*26*
King Cetshwayo	741 541	22	74	*52*
Ugu	1 069 658	26	107	*81*
uMgungundlovu	643 759	24	64	*40*
Umkhanyakude	518 409	22	52	*30*
Umzinyathi	689 122	25	69	*44*
Uthukela	947 925	27	95	*68*
Zululand	834 251	25	83	*58*
KwaZulu-Natal	**10 571 313**	**290**	**1 057**	**767**

Source: EMS Database

Aeromedical Services

Aeromedical Services is a vital service for EMS within KZN due to the vast geological spread as well as poor road infrastructure and extremely long travelling distances to definitive medical facilities. It is however a very expensive resource but its value far exceeds the expense.

Air ambulance services are currently provided by Air Mercy Services (AMS). This includes two rotor wing aircraft (helicopters) and one fixed wing aircraft. This contract is currently expired however is operating on a month to month basis. One rotor wing is based in Richards's Bay airport and the other at King Shaka Airport. Table 13 below shows total requests for Air Ambulance Services as well as the proportion serviced.

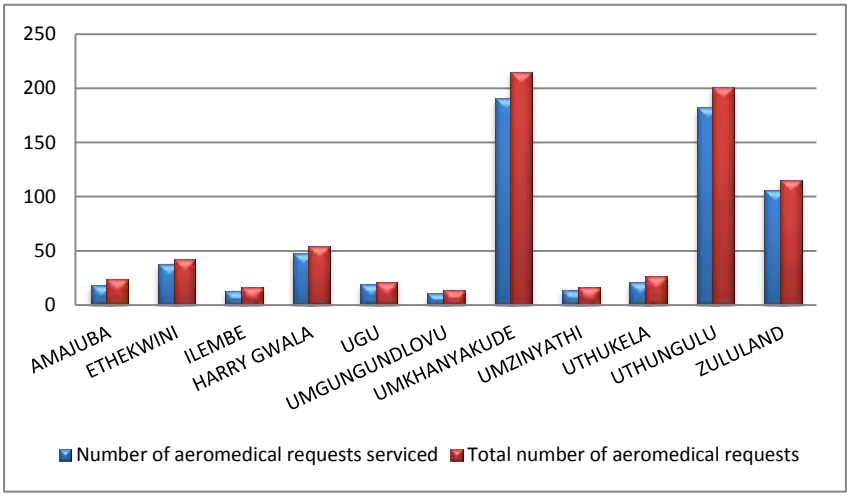
Table 13: Cases attended to by Air Ambulance Services (Source EMS database)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	2017/18 Annual
Total Requests	232	189	141	182	744
% serviced	83	91	91	93	89

[10] 15 minutes and 40 minutes is considered to be the norms for response times in urban and rural areas respectively.

Districts utilising aeromedical services the most are Umkhanyakude, King Cetshwayo and Zululand. Other districts utilisation is minimal compared to these. These are shown in graph 5 below. These are shown in figure 6 below for the second quarter.

Graph 5: Aeromedical services utilisation per district in 2017/18



Source: EMS Database

Flying doctor refers to doctors that are flown in from hospitals level 2 and above to district hospitals. This mostly applies to outlying districts including Umkhanyakude. Flying doctor services saw to a total of 11 381 patients in various health facilities throughout the province during 2017/18, the breakdown per month is shown below in Table 14.

Table 14: Flying doctor services

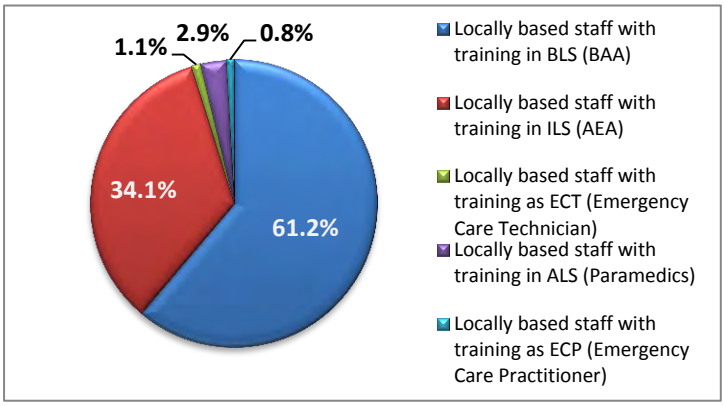
	April 2017	May 2017	June 2017	July 2017	Aug 2017	Sep 2017	Oct 2017	Nov 2017	Dec 2017	Jan 2018	Feb 2018	Mar 2018
Number of patients seen	1 547	1 194	1 054	866	909	970	656	863	389	782	1 083	1 068

Human Resources - Operational Staff Complement For Emergency Medical Services

The operational staffs are currently working in emergency operations, communications centre and Patient transport services (PTS) services. In order to meet the national norms and standards, vehicles have to be procured as well as staff employed. Planned measures to address this include strengthening the recruitment and retention strategy, improving employee satisfaction and ensuring consistence and planned vehicle and equipment replacement processes.

The College of Emergency Care provides training to employed staff and during 2017/18 a total of 72 Basic Life Support staff members were successfully trained to Intermediate Life Support level. The pie graph below indicates the current skills mix and distribution in KZN. These staff are currently performing operational duties in communications centre, PTS and emergency operations.

Graph 6: Skills mix for staff employed at Operations, Communications and PTS[11]



Source: EMS Database

Staff employed at an operational level perform duties in either the communications centre; patient transport services (PTS) or operations. Currently EMS has a total of 2 589 staff employed at an operational level, of these 1 584 (61.2%) are Basic Life Support (BLS) qualified, 882 (34.1%) are Intermediate Life Support (ILS) qualified, 28 (1.1%) are Emergency Care Technicians (ECT), 74 (2.9%) are Advanced Life Support (ALS) qualified and 21 (0.8%) are Emergency Care Practitioners (ECP). Table 15 below indicates the breakdown per area of operation and per district.

Table 15: Emergency Medical Services Operational Level Staff

	Amajuba	EThekwini	iLembe	Harry GWala	Ugu	uMgungundlovu	Umkhanyakude	Umzinyathi	Uthukela	King Cetshwayo	Zululand	Provincial
No. of BLS operational staff	91	200	56	123	73	104	114	100	97	129	124	1211
No. of BLS communications centre staff	11	28	12	21	14	22	18	14	18	20	11	189
No. of BLS PPT staff	17	31	15	19	22	32	6	15	17	5	5	184
Total BLS staff	**119**	**259**	**83**	**163**	**109**	**158**	**138**	**129**	**132**	**154**	**140**	**1584**
No. of ILS operational staff	61	150	37	63	63	79	36	33	71	59	70	722
No. of ILS communications centre staff	3	41	7	4	7	8	6	1	4	4	5	90
No. of ILS PPT staff	0	41	7	1	6	11	0	0	4	0	0	70
Total ILS staff	**64**	**232**	**51**	**68**	**76**	**98**	**42**	**34**	**79**	**63**	**75**	**882**
No. of ECT operational staff	1	4	5	1	2	4	1	3	2	4	1	28
No. of ECT communications centre staff	0	0	0	0	0	0	0	0	0	0	0	0
No. of ECT PPT staff	0	0	0	0	0	0	0	0	0	0	0	0
Total ECT staff	**1**	**4**	**5**	**1**	**2**	**4**	**1**	**3**	**2**	**4**	**1**	**28**
No. of ALS operational staff	4	19	6	4	7	11	0	3	3	5	6	68
No. of ALS communications centre staff	0	3	1	0	0	0	0	0	0	0	0	4
No. of ALS PPT staff	0	2	0	0	0	0	0	0	0	0	0	2
Total ALS staff	**4**	**24**	**7**	**4**	**7**	**11**	**0**	**3**	**3**	**5**	**6**	**74**

[11] BAA: Basic Ambulance Assistant & AEA: Ambulance Emergency Assistant

	Amajuba	EThekwini	iLembe	Harry GWala	Ugu	uMgungundlovu	Umkhanyakude	Umzinyathi	Uthukela	King Cetshwayo	Zululand	Provincial
No. of ECP operational staff	1	6	1	0	3	7	0	1	1	1	0	21
No. of ECP communications centre staff	0	0	0	0	0	0	0	0	0	0	0	0
No. of ECP PPT staff	0	0	0	0		0	0	0	0	0	0	0
Total ECP staff	**1**	**6**	**1**	**0**	**3**	**7**	**0**	**1**	**1**	**1**	**0**	**21**

Source: EMS Database

Inter-facility transportation

Inter-facility transport is currently divided into:

- Planned patient transport which requires booking; general buses/kombis are appropriate
- Inter-facility transport: ambulances are usually required
- ICU transfers: ambulances are required
- Obstetric transport: ambulances are usually required

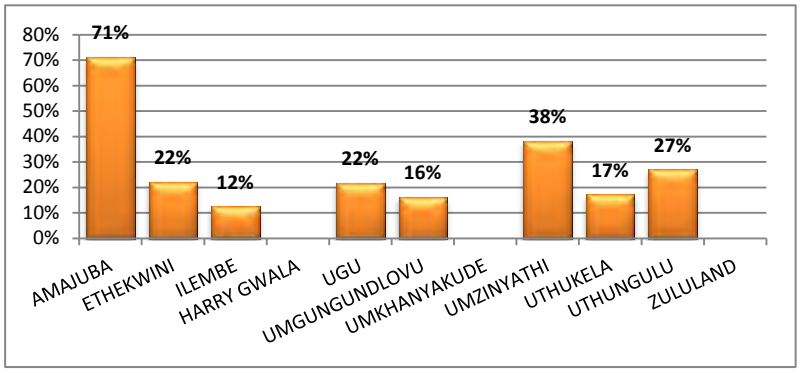
Currently, the Department faces challenges around the long turnaround time transporting patient between hospitals. The service covers all institutions, but demand supersedes supply. Turnaround times are effected by the duration of handover of a patient at the receiving institution before EMS can respond to the next call and the distance between facilities. It is estimated that around 50% of inter-facility transportation is currently emergency inter-facility transport and not planned patient transport; inter-facility emergency transfers have to compete for ambulances with emergency cases, which is not ideal and contributes to poor response times. During 2017/18, the total number of inter facility transfers done was 176 238 and the total number of patients transported by Patient Transport Services (PTS) was 464 047. The demand for this service is continuously increasing.

The PTS hub system has been introduced in Empangeni (King Cetshwayo District), Durban (eThekwini District), Pietermaritzburg (uMgungundlovu District) and Ladysmith (Uthukela) in order to ensure effective coordination of PPT trips and patients where all districts moving through or bringing patients to that area report to the hub and then if possible trips are combined and repatriation patients are not left behind. These hubs will increase the efficacy of the intra district PTS system.

Operations

The national norm used to guide the operations in EMS includes 1 ambulance per 10 000 population and response times within 40 minutes in rural areas and 15 minutes in urban areas, this does not however consider how the population is dispersed, in a urban area the population is condensed but in rural areas the population is widely dispersed resulting in very long incident completion times.

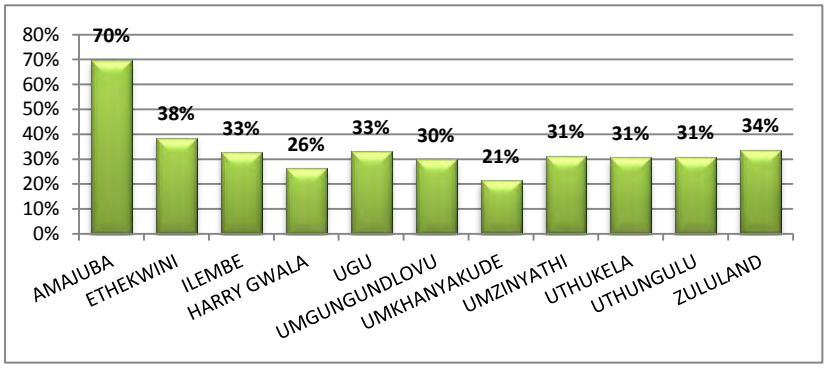
Graph 7: Priority 1 (P1) (Red code) Calls within a response time < 15 minutes in an urban area -



Source: EMS Database

Over and above your operational ambulances required to actively provide the service, pool ambulances are required in order to cater for scheduled maintenance, vehicle repairs, accident damage repairs and routine disinfecting and spring cleaning of ambulances.

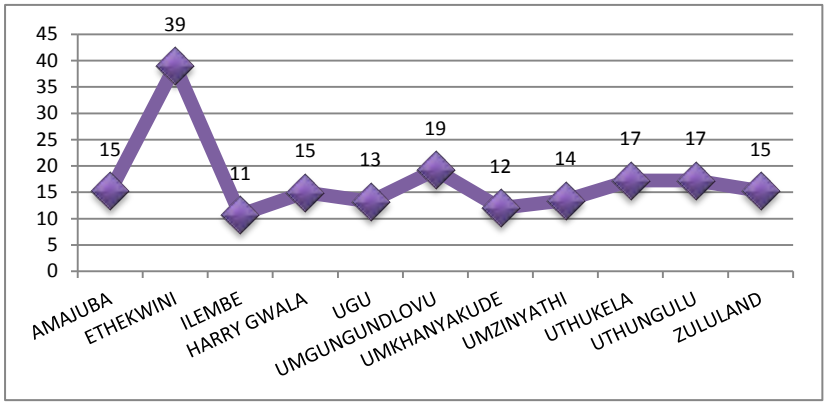
Graph 8: P1 calls with response time of <40 minutes in a rural area -



Source: EMS Database

The schedule for operational ambulances is 290 for the province. This is made up of 212 emergency ambulances, 40 obstetric ambulance and 38 inter facility transfer ambulances. The schedule is not always achieved due to a shortage of staff and vehicles. Vehicles are at times inadequate due to breakdowns and write offs. The number of operational ambulances during 2017/18 was 188, as can be seen in the graph below.

Graph 9: Operational Ambulances per District during 2017/18, KZN



Source: EMS Database

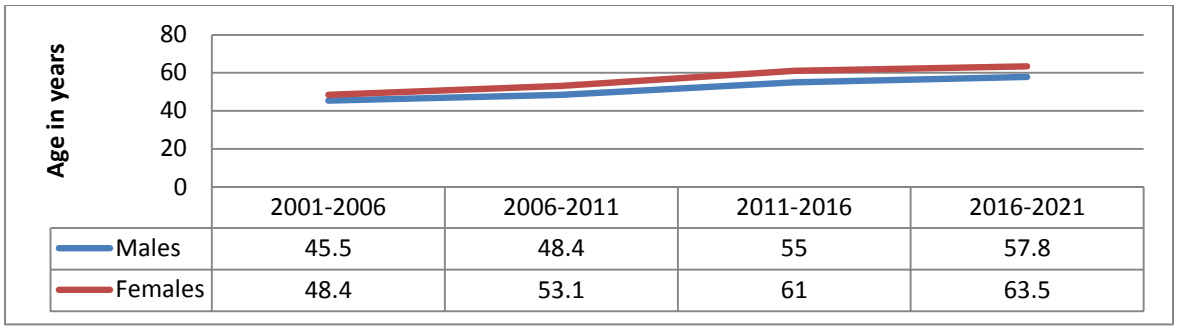
Factors that contribute to poor response times are call taking delays due to unclear or incomplete information from caller; inappropriate triage of calls; communication challenges; discrepancies on district boundaries. Vehicle related issues are insufficient resources for workload (vehicles and staff), breakdowns and accidents en route, and traffic congestion.

EMS operates at three levels of care: Basic, Intermediate and Advanced Life Support. At the Advanced Life Support level, care provided is generally of a good standard, but there are challenges at the levels of Basic and Intermediate Life Support.

STRATEGIC GOAL 2: REDUCE THE BURDEN OF DISEASE

An upward trend in life expectancy for both males and females is observed. The increase in the life expectancy is attributed among other factors to the use of antiretroviral treatment as well as the implementation of the Prevention of Mother to Child Transmission of HIV.

Graph 10: Life expectancy at birth in KZN



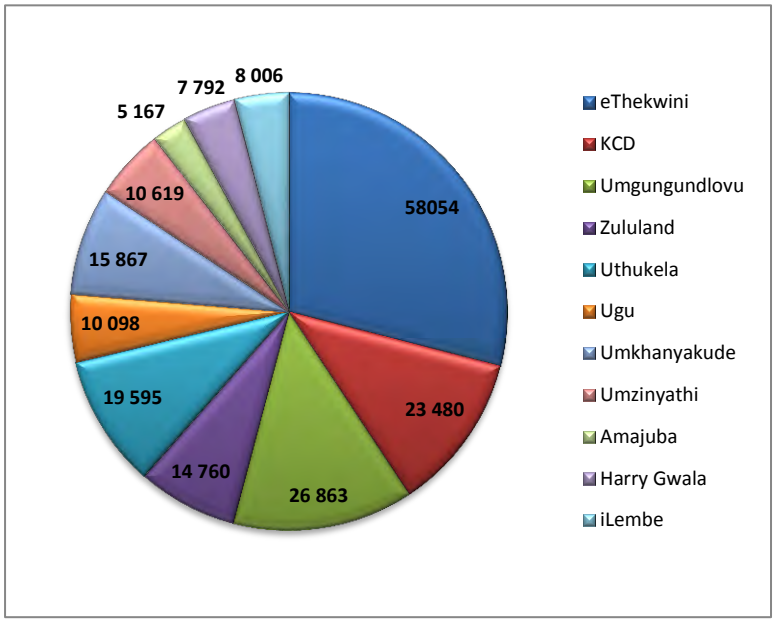
	2001-2006	2006-2011	2011-2016	2016-2021
Males	45.5	48.4	55	57.8
Females	48.4	53.1	61	63.5

Source: 2017 StatsSA Mid-year population estimates

HIV, AIDS AND SEXUALLY TRANSMITTED INFECTIONS (STIS)

A total of 985 126 male medical circumcisions have been done since the inception of this programme, against an estimated population of 5 407 070 males. This does not take into cognisance circumcisions done by the private sector or through traditional initiation methods.

Graph 11: District proportion of Male Medical circumcisions performed 2017/18



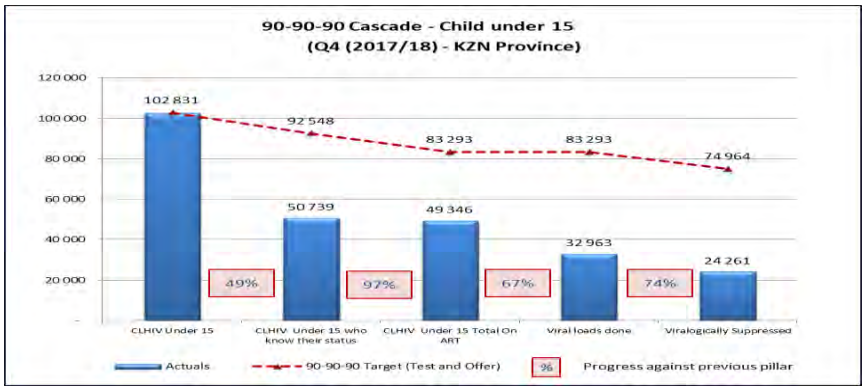
Source: WebDHIS

The contracting of private GP's to do medical circumcisions through Conditional Grant funding has meant that the programme recorded an increase of 64% (an additional 78 169) from 16/17 figures. This initiative will be reviewed as part of the scale up strategies for 2018/19. eThekwini (58 054), KCD (23 480) and uMgungundlovu (26 863) account for 54.1% of all circumcisions performed in 2017/18. The programme was under-funded during the 2017/18 period due to a change in the algorithms of the test kits and the procurement thereof.

Compensation of Employment (CoE) continues to be the cost driver of this programme and accounts for most of the funding allocation. The provision of catering continues to incur irregular and wasteful expenditure as "no show" candidates are catered for at camps. However, at a provincial level, Compensation of Employees (CoE) is the main cost driver, and not catering Provincially, it costs approximately R 1 500 per circumcision.

To determine the exact number of patients remaining on treatment continues to be a challenge with the shortage of data capturers being the root cause. Patient files, for patients who have collected treatment and / or are on CCMDD, are not updated on the Tier.Net system causing the TROA to drop as patients are categorised by the system as having defaulted. The TROA directly affects the Conditional Grant funding as, 70% of the Grant is allocated for ART medication. The average cost of a person on treatment for 2017/18 is approximately R 2 000 as Fixed Dose Combination (FDC) is about R 180 per month per patient. 2nd and 3rd line regimes increase this cost substantially.

Graph 12: 90 / 90 / 90 Cascade chart for Children under 15 – Quarter 4 2017/18

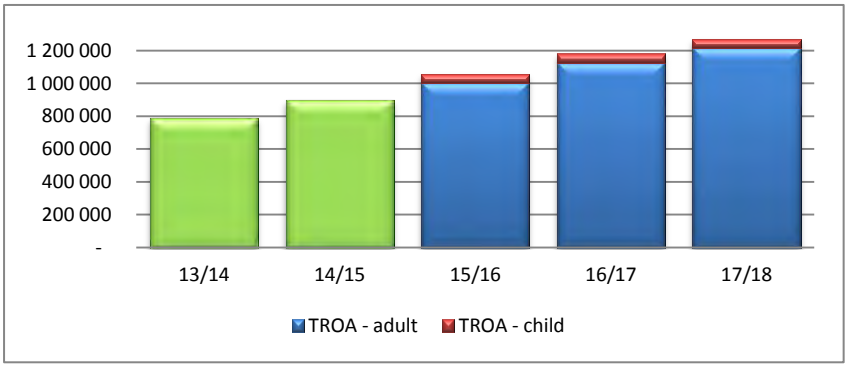


Source: HAST M&E Unit – May 2018

As per the graph above, 49% of children under 15 know their HIV status. This is one of the greatest challenges for the programme as these children are missed in the system due to a variety of societal and behavioural factors. Child care minders cannot give approval for a child to be tested for HIV / AIDS, this approval can only be granted by legal guardians or parents, thus although children might be identified at ECD's, crèches and through community care givers , they cannot be tested and placed on treatment. The practice of leaving young children under 5 to live with grandparents in rural communities exacerbates this challenge, as parents are not readily accessible to give this approval. The focus for 2018/19 will be to try and identify, test and place on treatment the 52 092 children under 15 who do not know their status through different initiatives.

The difference between the number of children on treatment and the number of viral loads done could be due to the backlog in data capturing. This is a health system challenge that needs to be rectified for accurate data

Graph 13: Five (5 year) trend of Total clients remaining on ART at end of the month (TROA)



Source: DHIS/WebDHIS

Children under 15 have little impact on the overall provincial performance of the programme as the bulk of the clients remaining on treatment are adults over 15 years, as is evident in the graph above. In 2017/18, children under 15 account for 4% of the total clients remaining on ART.

Graph 14: 90 / 90 / 90 Cascade chart for total population – quarter 4 2017/18

Source: HAST M&E Unit – May 2018

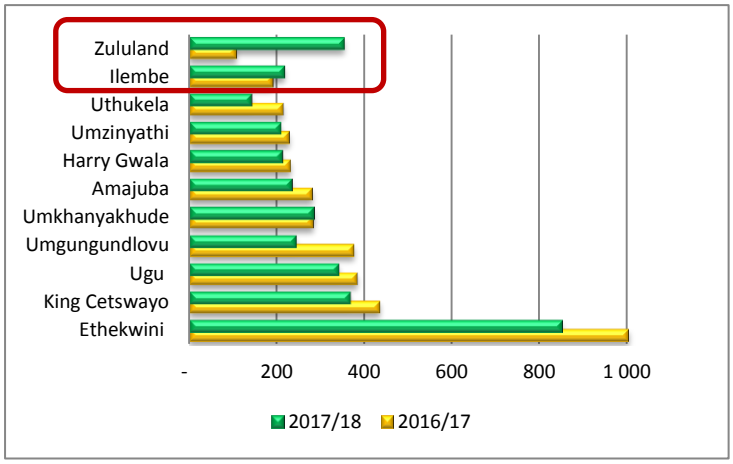
Despite having a high testing coverage, with 3 050 729 tests done in 2017/18, 25% (492 613 people) of people with HIV / AIDS are still unaware of their status. Many of the tests done are routine tests conducted on patients who are already aware of their status thus greater emphasis in 2018/19 will be placed on testing the communities and population that have never had an HIV / AIDS test and are unaware of their status to try and find the remaining 25%.

The decrease in numbers people the patients on treatment and the number of viral loads done is again due to the shortage of data capturers affecting the capturing of viral loads on the Tier.Net system. Once the root cause is rectified, this will correct itself and data quality will improve.

TUBERCULOSIS

Overall year-on-year, there were 5 004 TB cases less in 2017/18 however cognizance should be taken of Zululand, which contributed 3.3% to the total provincial caseload in 16/17 and increased to 7.5% in 2017/18.

Graph 15: Number of TB deaths per district 2016/17 and 2017/18 -all TB cases



Source: ETR.Net. Data sourced from TB Component - April 2018

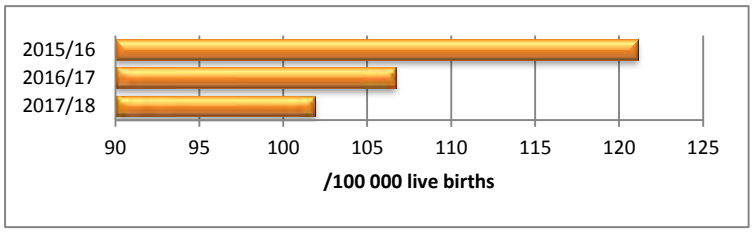
This increase in caseload had a knock-on effect with the actual number of deaths in Zululand increasing by 227% between 2016/17 (108) and 2017/18 (354). Further investigations are ongoing as it is unclear if this is a data quality challenge i.e. double counting or if there is an actual increase in TB in Zululand only. iLembe is the other district that had an increase in the number of TB in 2017/18 as compared to 2016/17.

MATERNAL, CHILD AND WOMEN'S HEALTH

Maternal Mortality

Maternal mortality ratio decreased despite the increase in the actual number of deaths by 7 when comparing the 2017/18 actual and the 2016/17 baseline.

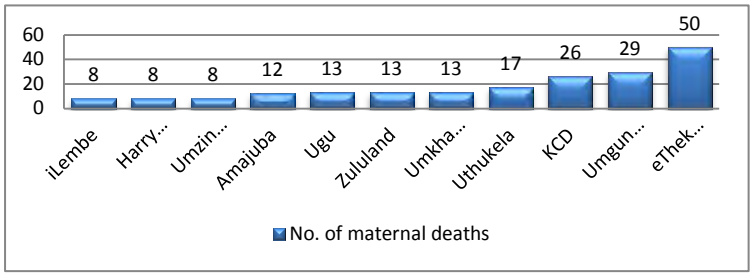
Graph 16: Maternal mortality ratio



Source: DHIS/WebDHIS

This decrease is ascribed to improved maternal care both at facility and community levels.

Graph 17: Number of maternal deaths per district for 2017/18



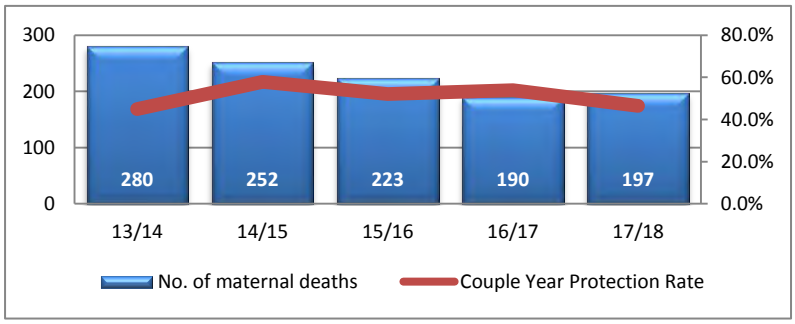
Source: WebDHIS

Amajuba (12 deaths) and KCD (26 deaths) both have Maternal and Child Hospitals providing specialised maternal and child health services. This impacts on the death rate as high risk cases and complications are referred to these hospitals for clinical management. The high death rate in uMgungundlovu is due to referral patterns from Harry Gwala into Edendale Hospital. Grey's Hospital is a tertiary hospital which also impacts on the high death rate. In eThekwini there are 6 regional hospitals, one Tertiary (King Edward VIII Hospital) and one Central Hospital (IALCH) combined with the informal referral patterns again impact substantially on maternal deaths.

Family planning

The prevalence of HIV in KZN has meant that many women who have untreated AIDS and a low CD4 count, fall pregnant unintentionally placing themselves and their babies at risk. Considering that girls aged 15 – 24 years have the highest incidence of HIV infections nationally, it is therefore imperative that family planning education is emphasized and family planning methods (short and long term) are freely available at clinics frequented by this age group.

Graph 18: Couple Year Protection Rate (CYPR) [12] vs Maternal Mortality



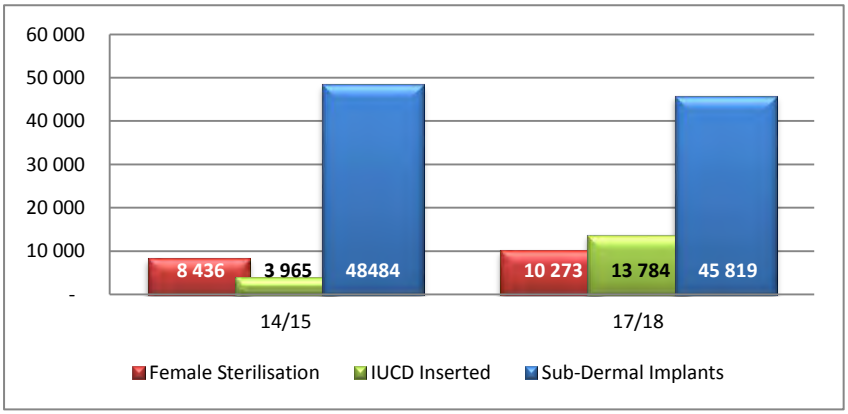
Source: DHIS/WebDHIS

Universities, TVETs and other centers of tertiary education form part of the strategy to be implemented in 2018/19 whereby ANC and FP services are expanded at these clinics.

Long term Contraceptive (LTC) methods (sterilizations, IUD's and Implanon sub-dermal insertions) should be more actively promoted.

[12] Couple Year Protection Rate refers to women protected against pregnancy by using modern contraceptive methods, including sterilisations, as proportion of female population 15-49 year

Graph 19: Long Term Methods of Contraceptive



Source: DHIS/WebDHIS

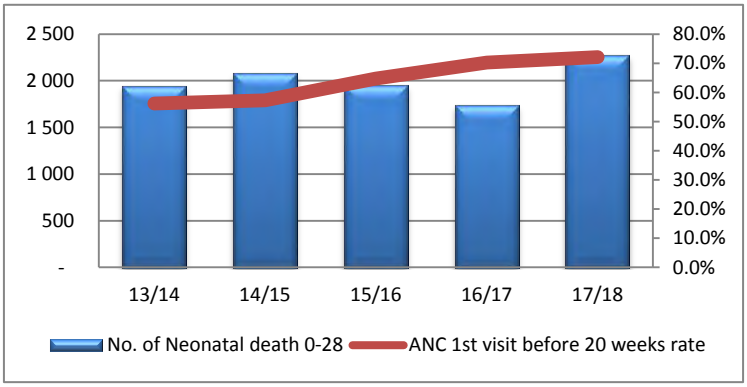
There has been a decrease in sub-dermal implants with a significant increase in the insertion of IUCD's due this being a focus area in 2017/18. The less invasive contraceptive methods such as sub-dermal implants are favored, accounting for 65.6% of all Long Acting Contraceptive (LAC) methods dispensed.

Antenatal Care (ANC)

Promotion of early ANC booking was a priority for 2017/18 as the impact of this has far reaching consequences for both mother and baby. The early presentation of pregnant women to antenatal care can assist in the early identification of high risk pregnancies thus allowing for better care and clinical management of mother and child. As can be seen in the graph, there is a direct correlation between ANC 1st visit before 20 weeks rate and the number of neo-natal deaths. Many neo-natal deaths can be attributed to poor clinical management in high risk pregnancies that present late at either clinic or hospitals.

There is evidence to support the assumption that if mothers access ante-natal care before 20 weeks that any foreseen complications can be planned for as part of their individualised birthing plan. The assumption still holds true when comparing previous years. In 2017/18, a lack of resources (both equipment and staff) at Queen Nandi Hospital impacted on neo-natal deaths in Region 4, thus causing a spike in deaths from 1 736 to 2 271, the highest in 5 years.

Graph 20: ANC before 20 weeks rate vs No. of neonatal deaths 0-28 days



Source: DHIS/WebDHIS

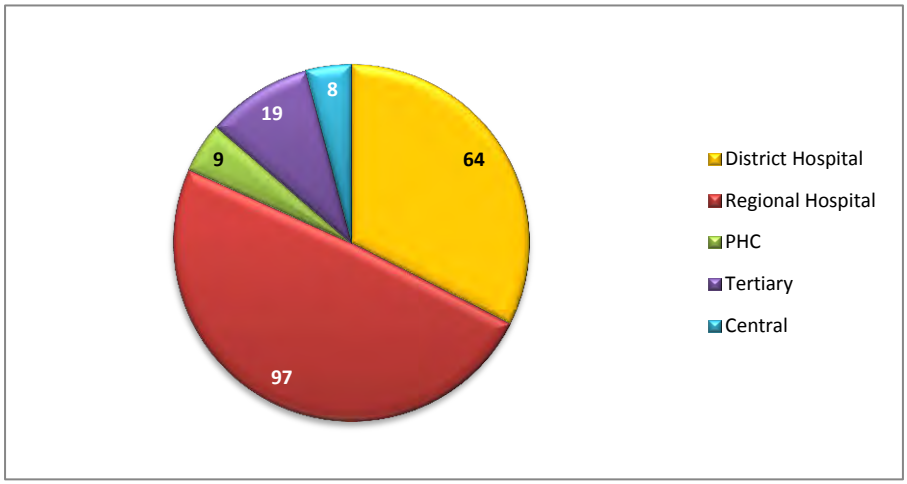
At Queen Nandi Mother and Child Hospital, two thirds (5/8) of the doctors specializing in neo-nates have left the unit resulting in no outreach to district hospitals being conducted. This has a knock-on effect at all service delivery levels. District hospitals quickly up refer as they do not have the skills capacity or equipment to manage premature babies. Down referrals back down to district hospitals are also problematic for the same reasons resulting in the neo-natal unit at the Regional Hospital being overloaded and unable to cope with the burden placed on them. Queen Nandi is a referral hospital for 16 district hospitals and with the limited staff, cannot deliver the quality of care expected.

A strategy has been developed whereby compressors have been purchased for all 16 hospitals in Area 4 to allow for the C-PAP equipment to be fitted in nurseries. Complemented by the capacitation and mentoring of nursing staff at district hospital level. This will allow these district hospitals to provide care to stable premature babies over 1 kg but under 2kgs who have had steroids administered before birth. This will ease

the pressure on Queen Nandi Hospital and allow them to provide the appropriate care to babies who are referred. Once babies have been stabilized and are responding well, they can then be down referred back to the district hospital, in the knowledge that there are skills and equipment available for their continued care.

The referral pathway for maternal services continues to be skewed with the majority of deliveries taking place at Regional Hospitals and not clinics and district hospitals. This has cost implications, as it is more expensive to treat a patient at a regional hospital than at a district level of care, and is placing strain on an already overstretched budget.

Graph 21: Maternal Deaths 2017/18

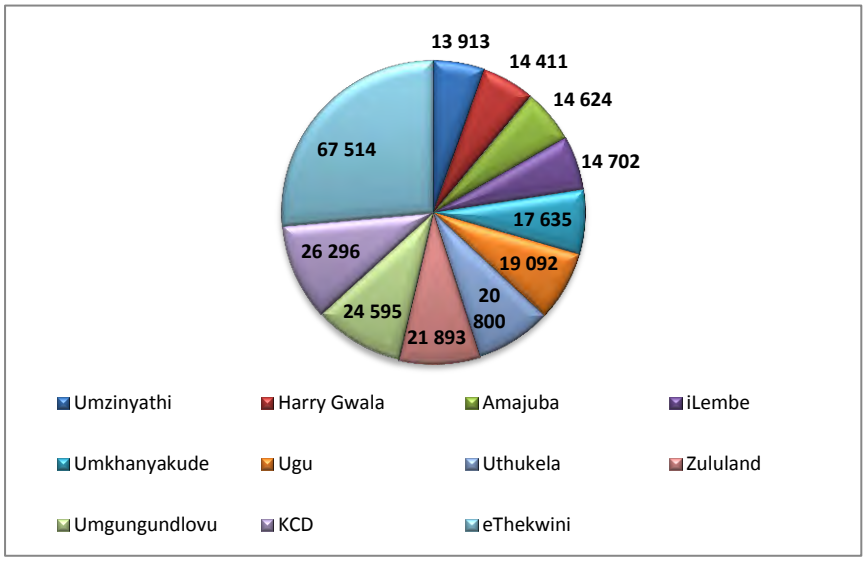


Source: WebDHIS

In some districts, where the skills level at district hospitals is inadequate or there are inadequate skills available to deal with high risk pregnancies, deliveries are referred upwards to regional hospitals. In instances where regional hospitals provide district hospital services, normal low risk pregnancies overcrowd the maternity ward resulting in these regional hospitals being overburdened leading to medico-legal litigation. For various reasons, many deliveries at Edendale Hospital are from the Harry Gwala District.

Child Health

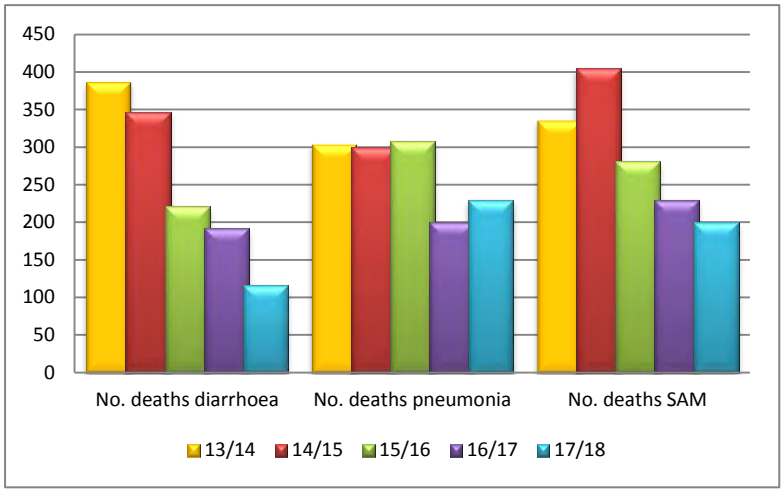
Graph 22: Distribution of under 1 population across KZN



Source: WebDHIS population

Severe acute malnutrition (SAM) continues to be a priority along with other 2 other common causes of death in children, pneumonia and diarrhoea.

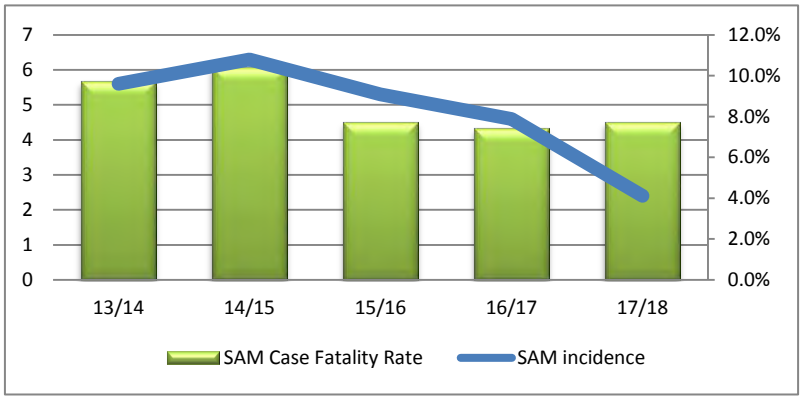
Graph 23: Child deaths per category over a 5 year period



Source: DHIS/WebDHIS

SAM is almost always caused by poverty, hence the importance of improving socio-economic indicators in order to improve health

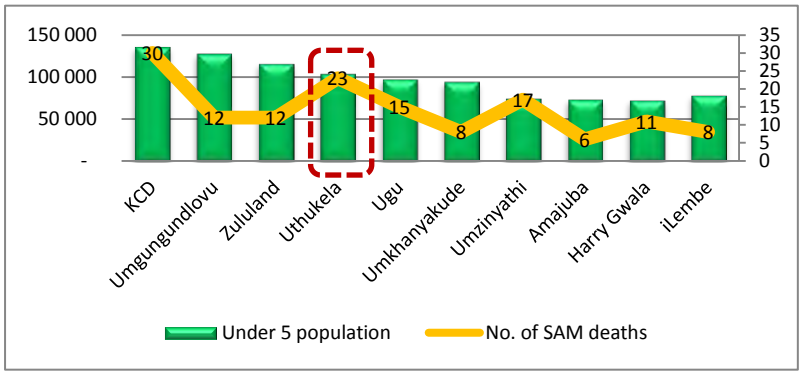
Graph 24: SAM Incidence vs case fatality rate



Source: DHIS/WebDhIS

SAM case fatality has declined over the 5 year period which could indicate improved quality of clinical care once within the health system. The severity of the drought in Northern and western KZN combined with the downturn of the economic situation in South Africa was expected to impact heavily on the SAM incidence rates increasing the number of children affecting by SAM however this was not the case – the Province saw a drop of 1860 less SAM cases in 201/18 (3 266 new incidences) compared to the previous year. Thus early diagnosis at a community level and effective clinical management at PHC level will impact on the number of cases referred upwards for admission to hospital.

Graph 25: Under 5 population vs no. of SAM deaths[13]



Source: WebDHIS

It is clear from the graph that KCD, Uthukela and Umzinyathi have experienced a higher number of deaths when compared with their under 5 population. The sub-district of Indaka in Uthukela has been identified as a "hotspot" for SAM cases being referred through to Ladysmith Hospital and as such activities with regards to the

[13] Data for eThekwini has been removed as it masks the differences between the other districts. eThekwini had 58 SAM deaths with an under 5 population of 365 101

identification and treatment of SAM cases in this area have been intensified.

Often children presenting with SAM as an underlying condition also have other acute conditions such as pneumonia and diarrhoea present, so the primary cause of death might be pneumonia but it was complicated by the underlying malnutrition.

The monitoring on infant feeding practices is crucial in understanding the factors that influence the under 5 health outcomes and survival in KwaZulu-Natal Province.

The influence of poor infant feeding practices, especially in the first two years and during infancy, impacts the incidence of malnutrition (over- and under nutrition) in our population.

KwaZulu-Natal has, despite challenges to be noted later, been able to increase exclusive breastfeeding rates from 44.6% in 2015 to 50.5% in 2017 on survey (KIBS Baseline Survey and KIBS Intervention Study).

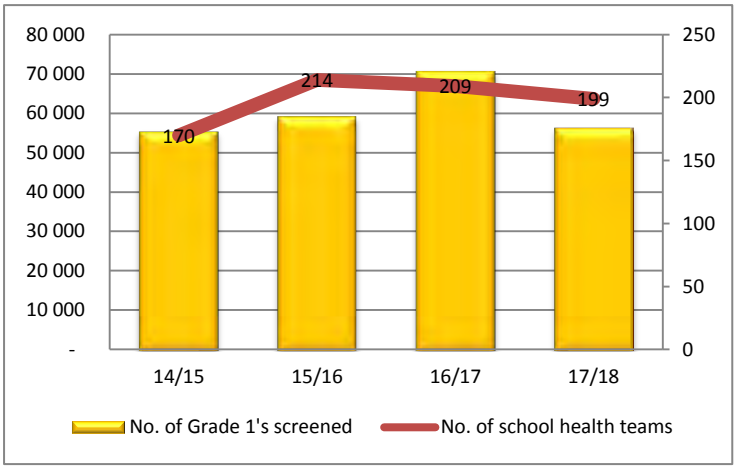
Successes that have fuelled this improvement have been the continued focus on the mother-baby friendly initiative in facilities with maternity services, the establishment of Human Milk Banks in 10 out of 11 Districts, capacity building of clinical staff in infant feeding in the context of HIV and continued advocacy for breastfeeding promotion, support and protection as part of daily activities and during World Breastfeeding Week.

Challenges that have hampered these efforts have included conflicting messages, misinterpretation of messages around exclusive breastfeeding and feeding the HIV exposed infant. Systematic challenges such as poor infant feeding counselling during pregnancy and entrenched beliefs regarding continued breastfeeding amongst working and school going mothers have continued to undermine this effort. These areas will continue to receive attention going forward.

Additionally the data has highlighted systematic challenges to implement accurate routine data collection pertaining to infant feeding practices. The indicator, Infant exclusively breastfed at (DTaP-Hib-HBV) 3rd dose rate, indirectly measures exclusive breastfeeding rates amongst mothers of infants less than six months old. Data collection which should be done as a 24 hour recall of feeding practices, has been plagued by poor understanding and implementation, recording and reporting. The target of the DHIS data set was set for the period (2017 / 18) under review above the provincial exclusive breastfeeding rates findings of the 2015 KwaZulu-Natal Initiative for Breastfeeding Support (KIBS) Baseline survey of 45.1%. The Provincial target has since been realigned to take the baseline survey into account.

School Health

Graph 26: School Grade 1 learners screened vs no. of school health teams



Source: DHIS/WebDHIS

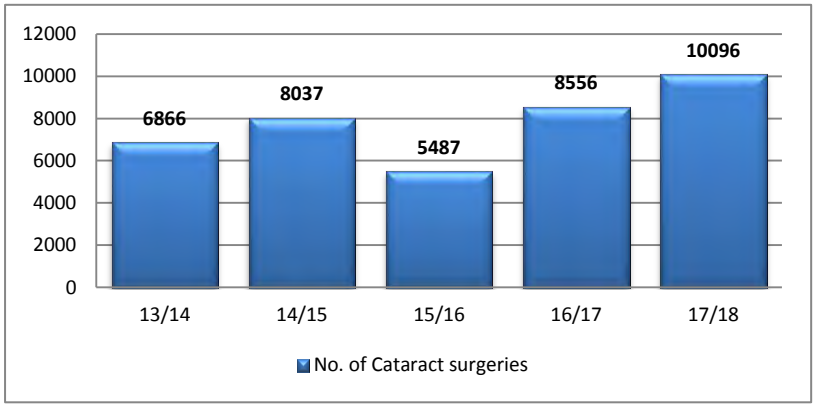
The number of Grade 1 children screened over the 4 year trend period has fluctuated from 55 529 in 2014/15 to 56 372, with a spike in 2016/17. In 2016/17 a record number of grade 1 learners were screened with fewer teams than when compared with previous years. The implementation and service arrangements around the HPV vaccination campaign have a significant impact on the number of learners screened as school health teams.

Non-Communicable Diseases

The cataract surgery rate increased from 888.1 in 2016/17 (8 556 cataract operations performed) to 1 033.8/1 million uninsured population in 2017/18 (10 096 cataract operations performed). Diabetes incidence increased from 2.8 to 4.4/1000 while the hypertension incidence decreased slightly from 21.8 to 21.3/1000.

Eye Health

Graph 27: Number of Cataract surgeries performed over a 5 trend period



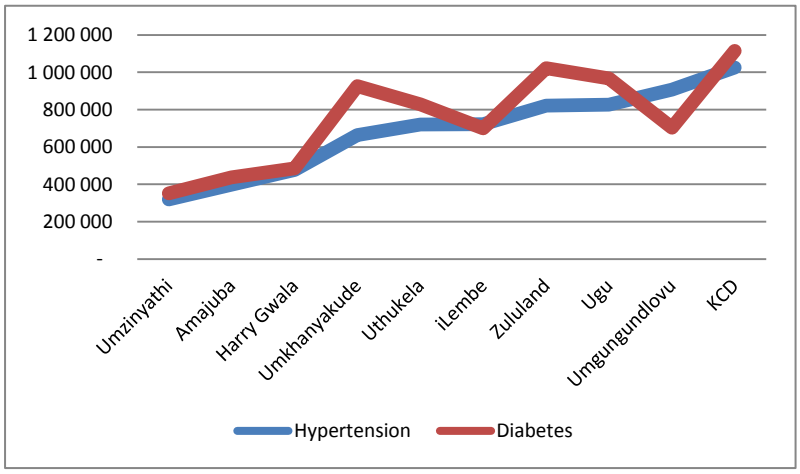
Source: DHIS/WebDHIS

Eye health in some districts is under-resourced (both in terms of competent staff and equipment) which is impacting on district performance. Zululand has been unable to perform any cataract surgeries for the past 2 years, due to a shortage of resources. Equipment has since been delivered and the post advertised for staff. There are 2 partners assisting the province with cataract surgeries namely International Islamic Relief Organisation of South Africa (IIROSA) and the Active Citizen's Movement.

Diabetes and Hypertension

These chronic conditions contribute heavily towards the burden of disease. Policies and SOPs have been put in place to improve the quality of screening as early detection is the key to success with these conditions. The graph below reflects the number of patients screened for diabetes and hypertension per district. Diabetes screening is higher in all districts except uMgungundlovu which screens a similar number of patients to iLembe, although uMgungundlovu has double the population of iLembe.

Graph 28: Relationship between screening for Hypertension and Diabetes per district for 2017/18

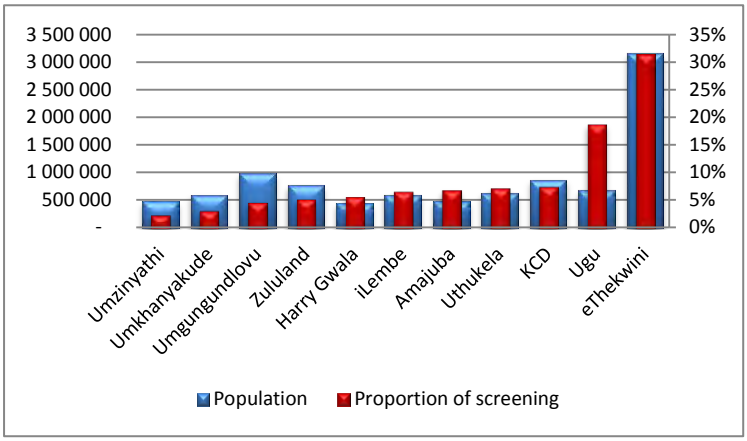


Source: WebDHIS

The quality of screening remains poor due to inadequate implementation of the SOPs. The same is true for Mental Health. The assumption was that if screening improved, more clients would be detected and the new cases identified would increase for a year or two before plateauing. However, there is no trend visible within the data for new cases identified for both diabetes and hypertension despite screening being the focus for the previous 3 years.

Mental Health

Graph 29: Mental health screening per district compared with district population



Source: WebDHIS

Mental Health screening is expected to occur at a PHC level along with screening for other routine conditions i.e. HIV / AIDS, TB and diabetes. The graph below reflects the population against the proportion of mental health screenings that took place per district. Ugu accounted for 19% of all mental health screenings with a medium population of 676 722. In contrast uMgungundlovu with a population of 984 962 accounted for only 5% of all provincial screenings for mental health. The inconsistency in the quality of screening and the implementation of the screening tool means that often mental health issues go undetected.

Strategic Goal 3: Universal Health Coverage

Health Facilities Management

KZN was announced "Best Province" for the implementation and management of PMIS (Project Management Information System. The system was instituted by National Department of Health onto which project information is captured by the respective Project Leaders from project inception to project closure. The information then becomes available for managing project progress, risks and issues internally and also available electronically (web based) for monthly reporting to National and Provincial Treasury. The quality of reporting has improved and the expenditure is on track. Performance reporting deadlines were met:

- The End of Year report for 2017/18 has been finalised All 12 Infrastructure Reporting Models (Treasury monthly report) IRMs ,were submitted on time via PMIS
- Deadlines were met for the submission of Infrastructure Plan or User Asset Management Plan (U-AMP 2017/18)Infrastructure Programme Management Plan ,IPMP) and Annual Implementation Plan.

The Human Resource Capacitation of the Infrastructure Development Unit reached advanced stage through the appointment of the Professional Built Environment Employees which will improve planning, implementation and maintenance of infrastructure in the PROVINCE. Amongst the milestones achieved during the period covered by the report are the establishment of the Health Infrastructure Approval Committee (HIAC) which plays an important role in project implementation, the approval by the HOH of the departmental Project Procedure Manual & IDMS Guidelines which is now operational and the appointment of the Work Group for the commissioning of the new Dr Pixley Ka Isaka Seme Memorial Hospital.

The challenges in 2017/18 included the following:

- Reduction of infrastructure budget year-on-year
- Lack of budget to employ skilled maintenance personnel at the institution level
- Failing water, sewer, storm water reticulation systems
- Dilapidated and asbestos roof structures

- Aged air-conditioning system
- Drought prevalence resulted in more spending on water storage structures
- The stoppage of the building of new facilities (clinics, CHCs and hospitals) which is creating dissatisfaction at community level
- Damage to health infrastructure by unprecedented adverse weather conditions (storms)
- Non or poor performing Implementing Agents and Contractors and Consultants
- Poor management by Implementing Agents/Department
- Poor project planning & project cost estimation
- Poor design not realising maximum benefits of the investment acquired
- Poor procurement processes resulting in delays and appeals by contractors
- Poor workmanship, due to poor on-site supervision
- Poor reporting resulting in lack of speedy intervention and poor forward planning
- Projects not completing on time resulting in a unnecessary additional costs to the Department and contractors (normally) Professional Services Providers PSPs not penalised but benefit)
- Cancellation of projects and non-recovery of cancellation costs by implementing agents, resulting in increased project costs, sustaining a bad industry culture
- Delays with finalising final accounts for the projects as a result most projects have no close out reports and therefore there are no lessons learnt taken forward to future projects.
- Health sector has tendencies of designing as they construct resulting in expensive variation orders
- Delay in the conclusion of Independent Development Trust IDT) projects

National Health Insurance

NHI Conditional Grant

The NHI Conditional grant for the KZN NHI Districts ended on the 2016/17 financial year. NHI Indirect Grant was used in 2017/18.

General Practitioner (GP) contracting

There were 55 Contracted General Practitioners (GPs) in NHI pilot Districts, providing services to 83 PHC facilities, and 76 711 clients that were consulted. Information sharing sessions were done in UMzinyathi and Amajuba Districts and two sessions per district. The sessions covered the following: discussion of the latest information on NHI, induction, plans to roll-out GP contracting and transferring of skills between GPs and nurses.

Health Patient Registration System (HPRS)

There were 1 893 969 clients registered on the Health patient registration system (HPRS) in 707 facilities. The Province procured ICT equipment to the value of R14 918 254 to assist in the implementation of HPRS in Zululand, Umkhanyakude and Harry Gwala Districts. The HPRS is the National Authoritative Source for patient demographic information to be used to: facilitate efficiency with respect to patient administration, enable evidence-based planning for provision of health services, enable tracking of patients at all levels of the health system. HPRS also serves as the Patient Registry and Master Patient Index which is critical in the infrastructure required to enable interoperability of eHealth systems.

Central Chronic Medicine Dispensing and Distribution (CCMDD)

Central Chronic Medicine Dispensing & Distribution (CCMDD) was rolled -out in all eleven districts (Over 1.1 million clients, above all 8 provinces combined). The number of clients currently enrolled into CCMDD is 1 034 621 in 713 facilities in KwaZulu-Natal and 1 million target was exceeded. 3050 pick-up points (208 commercial facilities and 2 842 community based facilities). The financial savings through CCMDD was R2 257 658.54 due to elimination of off- code drugs[14] and the impact of the national prescribing and effective CCMDD programme gate-keeping system to prescribers. Electronic Synchronized National Communication Health (SYNCH) was implemented in 4 districts namely uMzinyathi, Zululand, uMgungundlovu and eThekwini Districts and 168 facilities were installed with electronic CCMDD. 22291 clients registered on CCMDD Electronic system.

Stake holder Engagements

There were 8 NHI stakeholder engagements conducted in the 2017/18 financial year. The KwaZulu-Natal Department of Health consulted a number of stakeholders during the NHI roadshows. The stakeholders included: Traditional Health Practitioners, Traditional Leadership, General Practitioners, Academics, Communities, Labour Unions, Religious Leadership and Municipal Leadership. The purpose was to get a broad consensus on health reforms and to offer the stakeholders opportunity to make subjective and objective inputs to the NHI policy formulation. A total of 6 795 people have been engaged on the NHI as from the 8th July 2014 to date.

NHI Policy

NHI policy was signed by the National Minister for Health on the 28 June 2017. This paved the way for the tabling of the NHI bill. The White Paper on NHI provides a policy framework for transforming health system in the manner in which health care services are financed and purchased as well as how these services are provided. NHI provides a substantial policy shift that will necessitate the massive organisation of the health care system, both public and private. NHI intends to ensure that the use of health care services does not result in the financial hardship for the individuals.

Electronic Medical Records (EMR)

The Electronic Medical Records (EMR) system was launched. The EMR system supports the patient's electronic medical records across inpatients and outpatients and is used by health care practitioners to document, monitor and manage health care delivery within a defined care delivery setting like a hospital. Data and information in the EMR is the medico-legal record of what happened to the patient during their encounter with the healthcare institution and is owned by the healthcare institution. The benefits of the EMR system include integrated view of patient data, tracking of patient movement and condition and ease of data retrieval. The EMR system has been implemented at the following facilities:

- Hlabisa Hospital and Hlabisa Gateway Clinic
- Itshelejuba Hospital and Itshelejuba Gateway Clinic
- Eshowe Hospital and Eshowe Gateway Clinic
- EG Usher Memorial Hospital and EG Usher Gateway Clinic
- Queen Nandi Hospital and Empangeni Clinic

Ongoing training is currently taking place in the above healthcare facilities

[14] Off-code drugs refers to medicines which are not used for chronic prescribing

Strategic Goal 4: Strengthen Human Resources for Health

The delegations of authority for the Executive Authority and Head: Health have been approved and implemented in line with the new Public Services Regulations (PSR), 2016[15].

11 Organisational structures for facilities were approved and an additional 4 structures (FPS, EMS, Grey's and Newcastle clinical support/hospital structural proposals) were submitted for support and concurrence by the relevant DDG.

The Department identified 5 138 unfunded vacant posts to be abolished[16]. The Department requested for the mass abolition of posts to OTP to reduce the vacancy rate. Consequently the vacancy rate was reduced from 12% at the beginning of the period to 8% by the end of the period.

99% of posts in the Department have been evaluated in order to determine job weights as well as the salary levels of the posts and the results have been captured on Persal.

In order to ensure the availability of staff with scarce skills in the Department, the ratio of key personnel per 100 000 populated increased as follows:

- Medical Officers from 24.54 in Q1 to 26.73 in Q4;
- Professional Nurses from 132.39 in Q1 to 133.99 in Q4; and
- Pharmacists from 6.37 in Q1 to 7.71 in Q4;

The reviewed Recruitment and Selection Policy was approved on 8/2/2018 for implementation in the Department and it is anticipated that the reviewed provisions will assist in fast-tracking the filling of posts[17].

There has been a 100% compliance rate in the signing of performance agreements for CEOs, District Directors and Head Office Senior Managers.

A total 18660 employees have undergone various training and development initiatives during 2017/18 through the Department's skill development budget. Table 88: (3.6.7) of part D (HR Oversight Report) shows the categories and the numbers of employees trained.

73 (100%) Hospitals and 21 (100%) CHCs have functional Health and Safety Committees.

6 Service Conditions Policies (Resettlement, Sabbatical Leave, Sick Leave, Paternity Leave, Attendance Register and S&T) were reviewed and approved for implementation in the Department to ensure that employees' service conditions are managed in line with prevailing legislation and amendments thereto. The Interim Policy on Commuted Overtime, after consultation with and concurrence by SAMA, was also approved for implementation in the Department with effect from 1 November 2017. The Interim Policy seeks to ensure that commuted overtime is managed and reflects the actual service delivery environment and thus limits/mitigates negative audit findings.

The final results for Management Performance Assessment Tool (MPAT) 1.7 were received on 28/03/2018. Overall the average score for Human Resource Management Services (HRMS) was 3. A score of 3 according to the description provided by DPME is "Department is fully compliant with legal/regulatory requirements". There was constant improvement in the HRMS scores from 2015 (average score 2.59), 2016 (average score 2.68) and 2017 (average score 3).

[15] These came into effect in on 1 August 2016. With the introduction of PSR 2016, the delegations by the Executive Authorities and the Heads of Departments had to be revised and resigned and aligned to PSR 2016.

[16] A decision was made at the Cabinet Lekgotla in 2008 required that all Heads of Department clean up their structures on Persal by abolishing all vacant unfunded posts, particularly posts which have remained unfilled for more than two years and are never going to be filled in light of the current cost cutting measures.

[17] There are clear guidelines in the Recruitment and Selection policy which aids in the recruitment process and assists in fast tracking the filling of posts.

The take-over of St Mary's Marianhill Hospital with effect from 1 October 2017 has been a smooth exercise in view of the fact that this process was based on expropriation instead of Section 197 of the Labour Relations Act.

The Minimum Staff Establishment and Essential Post List project, which commenced late in 2017/18 in the Department, seeks to address the equitable distribution of human resources and includes the identification of essential posts based on service demands and packages of service per level of care. Organisational Efficiency Services (OES) is in the process of developing the Minimum Staff Establishments for EMS/ FPS and District Offices. The Department will present the Essential Post List to the Director-General in the Office of the Premier and Cabinet with a view of rescinding the current process for the approval of critical posts. The Department will review the macro-structure once the generic structure, developed by the DPSA, has been approved by the National Health Council.

Challenges

The reason for not evaluating all jobs in the Department is due to outstanding Job Evaluation verification results from the DPSA for Administration posts (a DPSA competence) and the non-finalisation of the consultation process with OTP/Premier and DPSA/MPSA in order to evaluate the remaining 1% of posts for Head Office.

The number of bursaries awarded to first year medical students had to be reduced and the Clinical Associates programme had to be discontinued due to financial constraints experienced by the Department.

Financial constraints, as well as the inter-provincial agreement between KZN and Mpumalanga to train their students, has seen KwaZulu-Natal College of Nursing (KZNCN's) bursary intake drastically reduced.

There were bursary holders who were appointed in the fourth quarter to supplement the number of staff; however, the number of appointments was limited due to financial constraints.

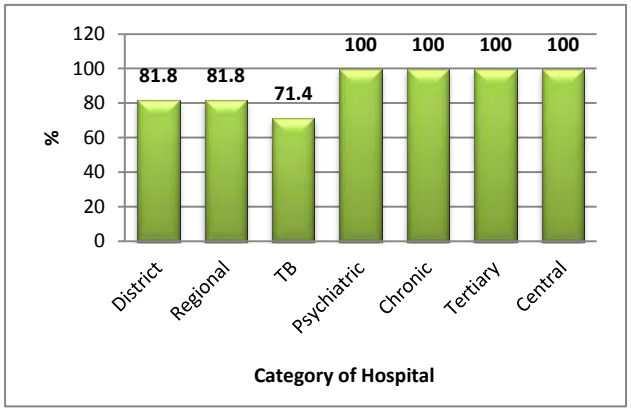
The reviewed process for the filling of posts has a negative impact on service delivery as replacement posts cannot be filled immediately which implies that existing staff have to take on additional workloads which consequently have a negative impact of staff well-being as well as the service delivery backlogs of having the unfilled posts.

Strategic Goal 5: Improve quality of care

National Core Standards

All hospitals implement the National Core Standards (NCSs) and more emphasis will be placed on the facilities that performed poorly**.**

Graph 30: Hospitals achieved 75% and more on National Core Standards self-assessment rate (2017/18)



Source: WebDHIS

Transfer Payments

Table 16: Transfer payments to Public Entities

Name of Public Entity	Services rendered by Public Entity	Amount transferred to Public Entity	Amount spent by Public Entity	Achievements of the Public Entity
Department does not have Public entities				

Table 17: Transfer payments for the period 1 April 2017 to 31 March 2018

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 Municipal clinics	To subsidise the provision of primary health care for personal health services at municipal clinics	Yes	R219 656	R219 656	Payments made on a claim back basis as per SLA

Table 18: Transfer payments budgeted for period 1 April 2017 to 31 March 2018 with no transfer

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	To subsidise the provision of primary health care for personal health services at municipal clinics	R204,284	R219,656	The over-spending of R15.372 million is as a result of carry-over costs from 2016/17 for municipal clinics in eThekwini.

Conditional Grants

Note: NHI Conditional grant for the KZN NHI Districts ended on the 2016/17 financial year

Table 19: Comprehensive HIV and AIDS Grant

Name of the Grant	Comprehensive HIV / AIDS Grant		
Department which transferred the Grant	KZN Department of Health		
Purpose of the Grant	To enable the Health Sector to Develop and implement an effective response to HIV/AIDS and TB.		
Expected outputs of the Grant and actual achievements.	**Indicators**	**Expected Outcomes**	**Actual Achievements**
	Number of facilities offering ART	686	826

Name of the Grant	Comprehensive HIV / AIDS Grant		
	Number of new patients that started treatment on ART	185 864	210 188
	Number of patients on ART remaining in care	1 295 471	1 271 116
	Number of antenatal clients initiated on ART	43 890	31 130
	Number of beneficiaries served by Home-Based Carers	1,099,080	1,768,860
	Number active Home-Based Carers receiving stipends	9 827	10,007
	Number of male condoms distributed	210 038 898	75 557 900
	Number of female condoms distributed	3 365 243	1 721 584
	Number of HTA intervention sites (cumulative)	535	98
	Number of HIV positive patients that started on IPT	214 069	110 998
	Number of active lay counsellors on stipends	2 047	1 874
	Number of clients tested for HIV (including antenatal)	2 260 448	3 050 729
	Number of health facilities offering MMC services	80	344
	Number of MMCs performed	138 863	205 569
	Number of babies PCR tested around 10 weeks	44 400	51 075
	Number of sexual assault cases offered ARV prophylaxis	5 092	4 031
	Number of Doctors trained on HIV/AIDS, STIs, TB and chronic diseases	228	266
	Number of Professional Nurses trained on HIV/AIDS, STIs, TB and chronic diseases	5 800	4 341
	Number of HIV positive clients screened for TB	305 816	495 958
Amount per amended DORA (R'000)	R 4 852 495		
Amount received (R'000)	R 4 852 495		
Reasons if amount as per DORA was not received	Total Budget allocation was received.		
Amount spent by the Department (R'000)	R 4 852 495		
Reasons for the funds unspent by the entity	The Grant was fully spent.		
Reasons for deviations on performance	1. Most of the indicators have exceeded their set targets. 2. The additional resources provided by the grant for personnel have been fruitfully utilized to strengthen services, particularly at primary care level however recruitment of suitably trained staff, namely doctors, nurses and pharmacists has hampered the filling of posts.		
Measures taken to improve performance	1. The Province has been able to infiltrate the male sector with prevention and screening programmes. This was evident by thousands of men circumcised and others serviced at HTA sites. 2. Millions of KZN citizens now know their status and many were channelled to the Pre-ART and ART programmes. 3. Facility visits were conducted to ensure that challenges encountered at facility level were addressed timeously.		
Monitoring mechanism by the receiving Department	1. Quarterly financial and non-financial reviews were conducted on the HIV/AIDS Conditional Grant. 2. District quarterly visits were also conducted as technical support from the Provincial Office and Quarterly M&E Platforms were held to present impact made by the programme and corrective		

Name of the Grant	Comprehensive HIV / AIDS Grant
	measures taken. 3. Financial management is performed by means of cash flow monitoring, which takes place monthly, quarterly and annually.

Table 20: 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	Ensure provision of Tertiary Health Services in SA. Compensate tertiary facilities for the additional costs associated with the provision of these services
Expected outputs of the Grant	Provision of designated Central and Tertiary Services in 4 hospitals as agreed between the Province and the National Department 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 VIII (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 VIII (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. – Functionality of King Edward VIII was compromised due to storm damage as medical and surgical wards as well as operating theatres had to be closed down. Patients and staff have been relocated to other regional hospitals.

Name of the Grant	National Tertiary Services Grant
	– Due to staffing constraints, peripheral hospitals were unable to send doctors for in-reach training. – **IALCH**: Day patient separations reflect an increase due to more dialysis session in Nephrology (Renal Dialysis). Outpatient follow up decreased due to staff shortages, timeous follow up in the respective clinics could not be conducted. – **Greys Hospital**: Inpatient days (admissions) decreased due to shortage of staff. Inpatient separations are also low due to staff shortage. – **Ngwelezana**: separations increased due to renal dialysis. Inpatient days increased due to the employment of new staff i.e. Internal medicine. Inpatient separations are higher due to increase in down referrals especially in Orthopaedics'. Outpatient follow-up visit increased especially in Orthopaedics and Ophthalmology.
Amount per amended DORA (R'000)	R1 696 265 000
Amount received (R'000)	R 1 696 267 000
Reasons if amount as per DORA was not received	NA
Amount spent by the Department (R'000)	R 1 696 267 000
Reasons for the funds unspent by the entity	NA
Reasons for deviations on performance	NA
Measures taken to improve performance	NA
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 21: Health Professional Training and Development

Name of the Grant	Health Professional Training and Development
Department who transferred the Grant	National Department of Health
Purpose of the Grant	Support provinces to fund service costs associated with training of health science trainees on the public service platform.
Expected outputs of the Grant	Increase trained health professionals
Actual outputs achieved	314 Registrars on the Registrar Programme, and 25 specialists responsible for medical training.
Amount per amended DORA (R'000)	R 331 944
Amount received (R'000)	R 331 944
Reasons if amount as per DORA was not received	NA
Amount spent by the Department (R'000)	R 331 944
Reasons for the funds unspent by the entity	NA
Reasons for deviations on performance	NA
Measures taken to improve performance	A National Policy on Training and Development of Health Science Professionals should be developed to provide strategic direction to provinces.
Monitoring mechanism by the receiving Department	• Integrated Quarterly monitoring of the performance indicators with the Provincial Human Resource representative was conducted. • Liaison with the relevant managers to rectify financial journals were monitored on a monthly basis, this ensured that the HPTDG was correctly utilized. • Reports were submitted to the DDG Specialized Services and Clinical Support, CFO, HOD and NDOH in accordance with DORA reporting framework.

Table 22: Social Sector EPWP Incentive Grant for Provinces

Name of the Grant	Integrated Sector EPWP Incentive Grant for Provinces
Department who transferred the Grant	National Department of Public Works
Purpose of the Grant	Job Creation through EPWP Programme
Expected outputs of the Grant	Creation of 2277 Jobs
Actual outputs achieved	3417 Jobs created
Amount per amended DORA (R'000)	R 8 400
Amount received (R'000)	R 8 400
Reasons if amount as per DORA was not received	Not Applicable
Amount spent by the Department (R'000)	R 8 400
Reasons for the funds unspent by the Entity	Not Applicable

Name of the Grant	Integrated Sector EPWP Incentive Grant for Provinces
Reasons for deviations on performance	Strengthened data collection measures
Measures taken to improve performance	• Engage DOH Project Leaders to be part of data recording and collection on construction sites, • Take over reporting duties from DOPW and report data internally within DOH
Monitoring mechanism by the receiving Department	• Undertake site visits, collect and keep record of attendance, proof of wages paid and keep record of all contracts entered.

Table 23: 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)	R8 400
Amount received (R'000)	R8 400
Reasons if amount as per DORA was not received	N/A
Amount spent by the Department (R'000)	R8 400
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 24: Social Sector EPWP Grant

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	1 395 856 Number of beneficiaries and work opportunities.
Actual outputs achieved	• 1 936 (Number) work opportunities created. • 1 393 920 (Number) beneficiaries received HCBC services.

Name of the Grant	Social Sector EPWP Incentive Grant for Provinces
Amount per amended DORA (R'000)	R 47 058
Amount received (R'000)	R 47 058
Reasons if amount as per DORA was not received	N/A
Amount spent by the Department (R'000)	R 47 058
Reasons for the funds unspent by the Entity	The grant was fully spent.
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.

Table 25: 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 design (OD) systems and quality assurance (QA). • Supplement expenditure on health infrastructure delivered through public-private partnerships and to enhance capacity to deliver health infrastructure.
Expected outputs of the Grant	Number of health facilities, planned, designed, constructed, equipped, operationalized and maintained
Actual outputs achieved	The total allocated programme 8 budget was fully utilised in maintaining, designing, constructing, equipping KwaZulu-Natal health facilities.
Amount per amended DORA (R'000)	R 1 149 355
Amount received (R'000)	R 1 149 355
Reasons if amount as per DORA was not received	Not applicable
Amount spent by the Department (R'000)	R 1 151 564
Reasons for the funds unspent by the Entity	Not Applicable
Reasons for deviations on performance	Not Applicable

Donor Funds

Table 26: Donor funds received

Name of Donor	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)	R29
Amount spent by the Department (R'000)	R3
Reasons for the funds unspent	The project is still in progress
Monitoring mechanism by the Donor	Not specified.
Name of Donor	**Atlantic Philanthropies**
Full amount of the funding	R 9 429 000
Period of the commitment	Two years (further extension received).
Purpose of the funding	To strengthen the institutional capacity of the KwaZulu-Natal College of Nursing to enhance training and research capacity.
Expected outputs	Position the KwaZulu-Natal College of Nursing in the Higher Education landscape by the year 2016/2017 in respect of education, training and research; quality improvement; and leadership and governance.
Actual outputs achieved	Feasibility study conducted for the policy and procedure development and accreditation of new qualifications.
Amount carried over (R'000)	R6,164
Amount spent by the Department (R'000)	R3,791
Reasons for the funds unspent	This project has progressed well and should be finalised in 2018/19
Monitoring mechanism by the Donor	Progress reports submitted.
Name of Donor	**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 Donor on the utilisation of the remaining balance.

Monitoring mechanism by the Donor	None
Name of donor	**Impumelelo 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 to be spent on HIV/ADIS related project
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.
Name of donor	**MASEA AWARDS**
Full amount of the funding	R 125 000
Period of the commitment	Not Specified
Purpose of the funding	Annual Service Excellence Awards
Expected outputs	Awardees receive funding as prize money.
Actual outputs achieved	N/A
Amount carried over (R'000)	R64
Amount spent by the Department (R'000)	R62
Reasons for the funds unspent	Bank account details for recipients were not received
Monitoring mechanism by the Donor	None

Capital Investment

Table 27: Capital Investment, Maintenance and Asset Management Plan

Infrastructure Projects	2017/18			2016/17		
	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	902 032	902 032	-	636 632	646 320	-9 659
Existing infrastructure assets	560 703	560 703	-	224 122	731 233	6 781
Upgrades and additions	85 845	85 845	-	386 506	280 079	6 919
Rehabilitation, renovations & refurbishment	109 106	109 106	-	77 321	74 450	2 871
Maintenance and repairs	365 752	365 752	-	372 236	376 704	-3 009

Infrastructure Projects	2017/18			2016/17		
	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
Infrastructure transfer	-	-	-	-	-	-
Current	365 752	365 752	-	1 100 459	1 000 849	131
Capital	1 096 983	1 096 983	-	372 236	376 704	-3 009
Total	**1 462 735**	**1 462 735**		**1 472 695**	**1 377 553**	**-2 878**

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 long-term plan is not yet finalised due the delays in the processes that must inform its development.

SO 1.4) Improve health technology and information management

The Department made some progress in terms of broadband connectivity in both hospitals and clinics despite having not met the targets. The total number of hospitals with minimum of 2Mbps connectivity increased from 7(9.6%) in 2016/17 to 38(52.1%) in 2017/18. The target was 73(100%) The number of PHC facilities that have access to at least 512Kbps connectivity increased from 108(17.7%) in 2016/17 to 131(21.5%) in 2017/18. The target was 305(50%)

SO 4.1) Improve human resources for health

The number of organisational structures approved increased from the baseline of 1 in 2016/17 to 14 in 2017/18. The number of medical officers' and pharmacists' posts filled increased despite the decrease in the posts filled per 100 000 people when comparing 2016/17 and the year under review.

Table 28: Customised Performance Indicators

APP 2017/18: Page 70: Table 14 (ADMIN 2)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2016/17**	**Target 2017/18**	**Actual 2017/18**	**Deviation from Planned 2017/18 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	Qualified	Not achieved	See Auditor General's report: Page 250 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	9.6%	100%	52.1%	(47.9%)	Exorbitant high cost of connectivity makes it impossible for the Department to pursue the SITA connectivity model that was previously considered. More cost effective options are therefore being explored whilst taking into consideration the urgency of progress. An Information Communication Technology Connectivity Strategy has been conditionally approved for implementation in 2018/19. That may again be affected by budget limitations.
	Total number of Hospitals with minimum 2 Mbps connectivity	*Internet Rollout Report*	*7*	*73*	*38*		
	Total number of hospitals	*DHIS*	*73*	*73*	*73*		
	3. Percentage of fixed PHC facilities with broadband access	IT Database/ Internet Rollout Report	17.7%	50%	21.5%	(57%)	Progress was limited due to delays in delivery of the LTE Routers, which was delivered late 2017/18. The Department plan to roll out the broadband strategy during the next MTEF – the Vodacom proposal is still pending. This solution is however regarded as temporary and will provide only limited connectivity.
	Number of PHC facilities that have access to at least 512 Kbps connectivity	*Internet Rollout Report*	*108*	*305*	*131*		
	Total number of fixed PHC facilities	*DHIS*	*618*	*610*	*610*		

APP 2017/18: Page 70: Table 14 (ADMIN 2)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2016/17**	**Target 2017/18**	**Actual 2017/18**	**Deviation from Planned 2017/18 Target**	**Comment on Deviation**
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 budget throughout the reporting cycle	4. Percentage over/ under expenditure	BAS Reports	0.8%	Expenditure within 1% of annual allocated budget	1.5%	(50%)	This indicator (total expenditure, over/under-expenditure, deviation and narrative) will be reviewed once Financial Statements have been approved in July/August). Under-expenditure due to cash blocking, with payments estimated at R880 million deferred to 2018/19. Compensation of Employees under-spent due to a combination of cost containment measures and slow processes in filling of vacant posts. Machinery and equipment under-spent as a result of protracted SCM processes, difficulties with approving medical equipment specifications, and delays in delivery of ordered equipment. Savings within the Department has offset the over-spending on Goods and Services, which resulted from pressures on HIV/AIDS tests and ARV medicines. Accruals decreased from R1.2billion in 2016/17 to R800million in 2017/18.
	Total expenditure	*BAS*	*37 026 397*	*39 146 122* *39 936 952*	*39 902 070 000*		
	Allocated budget	*BAS*	*37 337 104*	*39 541 537*	*39 930 478 000*		
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	5. Approved Annual Procurement Plan	Procurement Plan	Approved Annual Procurement Plan	Approved Annual Procurement Plan	Approved Annual Procurement Plan	0%	No deviation

APP 2017/18: Page 70: Table 14 (ADMIN 2)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2016/17**	**Target 2017/18**	**Actual 2017/18**	**Deviation from Planned 2017/18 Target**	**Comment on Deviation**
each reporting year							
HUMAN RESOURCES MANAGEMENT SERVICES							
Strategic Objective 4.1: Improve human resources for health							
4.1.2) Review and approve macro and micro structures aligned to function	6. Number of organisational structures approved	HRMS – approved structures	1	11	14	27.27%	Structures submitted for approval in 2016/17 therefore exceeding the target.
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	7. Implement Community Based Training in a PHC Model	Community Based Training in a PHC Model Business Plan	Phase 1 implemented in King Cetshwayo District	Implement Phase 2	Phase 2 implemented in King Cetshwayo, Amajuba and Port Shepstone Districts	0%	No deviation
4.1.9) Provide sufficient staff with appropriate skills per occupational group within the framework of Provincial staffing norms by March 2020	8. Medical Officers per 100,000 people	Persal/ Stats SA	27.8	28.0	26.7	(4.6%)	Due to budget constraints (especially Cost on Employees budget) prioritised essential posts could not be filled. The high turn-over rates of especially Medical Officers (37.8%) and delays in approval process further affected filling of vacant posts. The Department commenced with the development of a Minimum Staff Establishment to identified critical gaps and minimum staffing needs that will inform re-
	Number of Medical Officers posts filled	*Persal*	*3 007*	*3 160*	*3 012*		
	Total population	*Stats SA*	*10 806 538*	*11 267 433*	*11 267 436*		
	9. Professional Nurses per 100,000 people	Persal/ Stats SA	160.7	155.3	151.7	(2.3%)	
	Number of Professional Nurses posts filled	*Persal*	*17 370*	*17 500*	*17 090*[18]		

[18] HR Oversight Report (Part D)

APP 2017/18: Page 70: Table 14 (ADMIN 2)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2016/17**	**Target 2017/18**	**Actual 2017/18**	**Deviation from Planned 2017/18 Target**	**Comment on Deviation**
	Total population	*Stats SA*	*10 806 538*	*11 267 433*	*11 267 436*		prioritisation and equitable distribution of human resources. This will be operationalised in 2018/19 following due processes.
	10. Pharmacists per 100,000 people	Persal/ Stats SA	7.9	7.5	7.7	2.7%	This decision on the reviewed process on the filling of all posts in Departments was effected by Provincial Treasury and the Office of the Premier. In order not to interrupt service delivery, certain posts (including but not limited to Pharmacists) central to service were requested to be exempt from this decision which was approved by the Provincial Cabinet which was duly communicated to all facilities and Districts through HRM Circular 76 of 2015.
	Number of Pharmacists posts filled	*Persal*	*849*	*845*	*869*		
	Total population	*Stats SA*	*10 806 538*	*11 267 433*	*11 267 436*		
Strategic Objective 4.2: Improve Performance Management and Development							
4.2.1) All personnel comply with performance management requirements from March 2016 onwards	11. Number of Hospital Managers who have signed Performance Agreements (PAs)	EPMDS Database/ Signed PAs	46	73	73	0%	No deviation
	12. Number of District Managers who have signed PAs	EPMDS Database/ Signed PAs	10	13	13	0%	No deviation
	13. Percentage of Head Office Managers (Level 13 and above) who have signed PAs	EPMDS Database/ Signed PAs	93.1%	100%	100%	0%	No deviation
	Head Office Managers (level 13 and above) who signed PAs in reporting cycle	*EPMDS database/ Signed PAs*	*54*	*64*	*64*		
	Number of Head Office Managers (level	*Persal*	*58*	*64*	*64*		

APP 2017/18: Page 70: Table 14 (ADMIN 2)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2016/17**	**Target 2017/18**	**Actual 2017/18**	**Deviation from Planned 2017/18 Target**	**Comment on Deviation**
	13 and above)						
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	14. Approved 2017-2027 Long-Term Plan	Approved Provincial Long Term Plan	Long Term Plan not finalised	Approved 2017-2027 Long-Term Plan	2017-2027 Long Term Plan not finalised	(100%)	The integrated Provincial Turn-Around Plan, that will form the foundation of the Long Term Plan has not been finalised. Current challenges, including (but not exclusive to) the fiscal challenges and significant gaps in essential resources e.g. human resources for health requires re-assessment of the short, medium and long term strategies in order to align with the projected budgets and improved utilisation of existing scarce resources.
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	15. Approved Hospital Rationalisation Plan	Approved Hospital Rationalisation Plan	Not approved	Plan approved	Not finalised	(100%)	Senior Management changes delayed progress. Proposals were presented at the Strategic Planning Workshop in February 2018. The Department commenced with the development of Transformational Business Cases for submission and approval in 2018/19.
Strategic Objective 1.10: Improve transversal services							
1.10.1) 100% Public health hospitals score more than 75% on the Food Service Monitoring Standards	16. Percentage of public health hospitals that scored more than 75% on the Food Service Monitoring Standards Grading System	Food Services Grading Register	65.2%	75%	51.4%	(31.46%)	The main reasons for variance include: Poor management and oversight as a result of high vacancy rates which resulted in non-compliance to criteria for self-assessment and

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Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2016/17**	**Target 2017/18**	**Actual 2017/18**	**Deviation from Planned 2017/18 Target**	**Comment on Deviation**
Grading System (FSMSGS) by March 2020	*Public health hospitals that score more than 75% on FSMSGS*	*Food Services Grading Register*	*47*	*55*	*37*		food service standards. Inadequate equipment and old/ outdated kitchen infrastructure. Outdated contracts with most facilities signing month to month contracts.
	Public Health Hospitals total	*DHIS*	*72*	*73*	*72*		
EXECUTIVE SUPPORT SERVICES							
4.1.11) Appoint an average of 10 000 CCGs per annum on contract	17. Number of Community Care Givers appointed on contract	CCG database/ Persal	Not reported	10 000	10 007	(0.07%)	Deviation (7 CCGs) considered within an acceptable deviation range.
5.2.6) Conduct at least 40 ethics workshops per annum from 2017/18 onwards	18. Number of ethics workshops conducted	Attendance registers	Not reported	40	34	(15%)	An inadequate number of facilitators for the various district workshops exacerbated by difficulty to secure training dates due to conflicting schedules at Provincial and District levels.
1.2.3) Monthly submission of disclosures of donations, sponsorships and gifts as per Circular G15/2016	19. Number of complete submissions of disclosures of donations, sponsorships and gifts submitted to Finance	Gift registers/ Reports to Finance	Not reported	12	12	0%	No deviation

Changes to planned targets

No change in targets during the reporting year.

Strategies to overcome areas of under-performance

Under performance with regards ratio of Medical Officers, Professional Nurses and Pharmacists can only be effectively addressed once the financial situation of the Department improves.

Linking performance with budget

Table 29: Budget appropriation and expenditure

Sub-Programmes		2017/18							2016/17	
		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	19 671	-	989	20 660	20 660	-	100.0%	18 972	18 972
	Transfers and subsidies	7	-	53	60	60	-	100.0%	18	18
	Payments for capital assets	1 213	-	(1 201)	12	12	-	100.0%	-	-
	Payment for financial assets	-	-	-	-	-	-	-	-	-
	Total	**20 891**	**-**	**(159)**	**20 732**	**20 732**	**-**	**100.0%**	**18 990**	**18 990**
1.2	**Management**									
	Current payments	751 775	-	(76 708)	675 067	675 067	-	100.0%	663 224	664 468
	Transfers and subsidies	6 587	-	(754)	5 833	5 833	-	100.0%	6 195	17 425
	Payments for capital assets	10 438	-	16 233	26 671	26 671	-	100.0%	49 658	257

Sub-Programmes		2017/18							2016/17	
		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	107 724		628	108 352	108 352	-	100.0%	107 607	144 534
	Total	**876 524**	**-**	**(60 601)**	**815 923**	**815 923**	**-**	**100.0%**	**826 684**	**826 684**

Source: Annual Financial Statements and BAS

PROGRAMME 2 - DISTRICT HEALTH SERVICES

Programme Description & Purpose

There are no changes to the structure of Programme 2.

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 districts and eThekwini 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, 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 combine 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

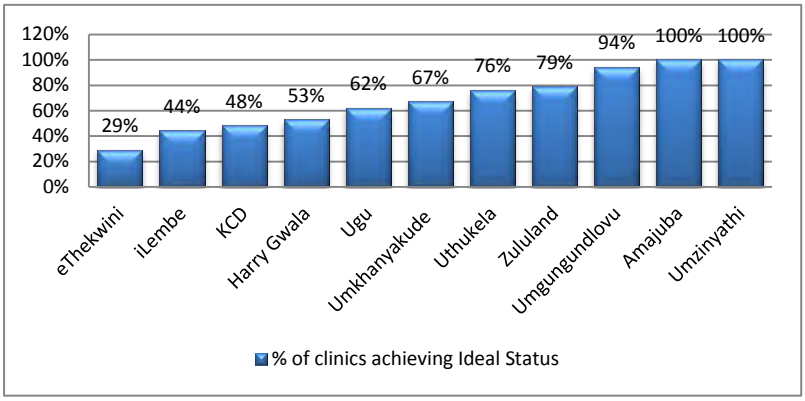
Render hospital services at General Practitioner level.

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

One hundred and sixty-four (164) clinics were identified for inclusion into the Ideal Clinic programme for KZN, of which 80 achieved Ideal Status. 303 clinics, that achieved Ideal Status in previous years, maintained their Ideal clinic status in 2017/18, with 46 clinics losing their status.

Graph 31: Percentage of clinics achieving Ideal Status per district for 2017/18



Source: Ideal Clinic Report – April 2018

Maintenance of the status achieved, or achieving a higher status should be included as part of the Ideal Clinic process in 2018/19. Poor performing districts will be targeted to improve overall performance and maintenance of Ideal Clinic status. The two best-performing districts are Amajuba and Umzinyathi having all their clinics classified as ideal. The worst performing districts are eThekwini with 16 clinics that were originally classified as Ideal Clinics, reverting back to not achieving Ideal Status and 25 clinics that were identified for scale up during 2017/18 not achieving Ideal Clinic status. iLembe (16 of their 36 clinics have achieved Ideal Status as of 2017/18) and King Cetshwayo having less than 50% of their clinics classified as ideal

SO 1.7) Improve hospital efficiencies

There has been an improvement in compliance to National Core Standards as well as in the Average Length of Stay. The Inpatient Bed Utilisation rate decreased slightly by 0.5% and this is attributed to non-compliance to admission and discharge criteria and inadequate resources including both HR and equipment which hinders service delivery

SO 2.7) Reduce maternal mortality

The majority of maternal indicators are demand-driven by patients and therefore difficult to predict with 100% accuracy, as the Department does not have direct control over patients health seeking behavior.

Maternal health is impacted upon by 3 main factors, namely 1) the ability of the woman to choose the number children she bears and the time lapse between pregnancies, 2) the early identification of high risk pregnancies and 3) the quality of care received during the antenatal period. This corresponds with the 3 priority areas identified in the 2017/18 for maternal health being 1) prevention, 2) case identification and 3) retention on treatment.

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 number of people tested for HIV continued to increase as a result of the implementation of Hlola Manje Zivikele campaign, Provider Initiated Counselling and Testing (PICT) and the inclusion of testing by the Development Partners. Medical Male circumcision performed increased from 122 132 to 200 301(cumulative)

whilst the number of condoms distributed decreased from 185 574 089 to 75 557 900. The change in data flow for the distribution of condoms, to include data from primary sites only, with no facilitate data included, resulted in the decrease. There have been instances of failure by the service providers to deliver as per contact – remedial measures are being followed to address this non-delivery. The elimination of MTCT of HIV is on target as the infant PCR positivity at 10 weeks decreased from 1.1% to 0.71%.

SO 2.4) Improve TB outcomes

The majority of indicators are demand-driven and therefore difficult to predict with 100% accuracy. The targets for the main indicators in the management of both susceptible and drug-resistant TB were not met. Also the performance declined when compared to the baseline period. The poor performance is attributed to data management challenges as well as the shortage of the tracer teams.

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

The majority of indicators are demand-driven and therefore difficult to predict with 100% accuracy. The prognosis of preterm and underweight babies in KwaZulu-Natal has improved substantially over the last 5 years with the implementation of a combination of strategies aimed at both community and facility level. KwaZulu-Natal is widely acknowledged as the best performing Province in neonatal care for South Africa. However, the loss of specialised skills (both medical and nursing) at regional hospitals has threatened to de-stabilize the gains made in recent years.

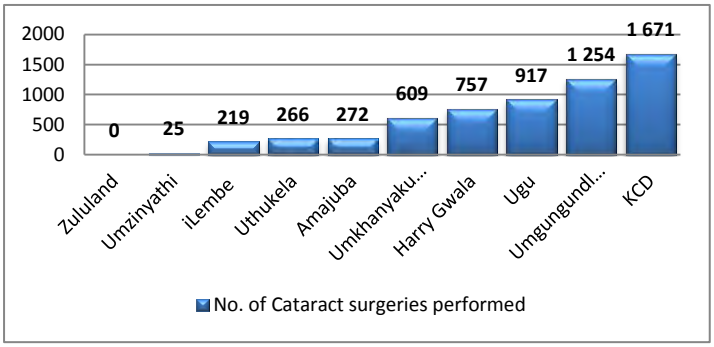
SO 2.8) Improve women's health

The majority of indicators are demand-driven and therefore difficult to predict with 100% accuracy. The introduction of LBC (Liquid Based Crystal) Pap smear tests has improved the quality of testing done. It is envisaged that the adequacy rate[19], that is currently at 75% will be further improved. Screening rates continue to improve annually, however cervical cancer continues to be the 2nd highest cancer killer of women, after breast cancer. Over the next 20 years, the introduction of the HPV vaccinations to girls 9 years of age in Grade 4 should start to yield the anticipated results

SO 2.9) Reduce incidence of non-communicable diseases

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

Graph 32: Number of cataract surgeries performed per district for 2017/18



Source: WebDHIS

Focus on increased output together with the involvement of Partners (International Islamic Relief Organisation of South Africa (IIROSA) and Active Citizen Movement) resulted in an improved cataract surgery rate. Monitoring compliance to screening guidelines can improve hypertension and diabetes screening.

Table 30: (DHS1) District Health Service –

[19] Adequacy rate refers to the proportion of smears that contain both ecto- and endo-cervical cells, cervical mucus and minimal amounts of blood, pus and debris, and which allows a cervical cancer screening test to be conducted on the sample provided.

2017/18 (DHIS)

Health District	Facility Type	Number of facilities	Total PHC headcount 2017/18	Per Capita Utilisation 2017/18	District Population (*DHIS 2017*)
Ugu	Mobiles	17	2 154 137	2.8	777 641
	Fixed Clinics (including LG/satellite)	51			
	CHCs (including LG)	2			
	Total Fixed Clinics	***53***			
	District Hospitals	3			
uMgungundlovu	Mobiles	16[20]	2 652 324	2.3	1 146 204
	Fixed Clinics (including LG/satellite)	50			
	CHCs (including LG)	3			
	Total Fixed Clinics	***53***			
	District Hospitals	2			
Uthukela	Mobiles	16	1 680 937	2.3	749 795
	Fixed Clinics (including LG/satellite)	36[21]			
	CHCs (including LG)	1			
	Total Fixed Clinics	***37***			
	District Hospitals	2			
Umzinyathi	Mobiles	13	1 368 233	2.4	561 655
	Fixed Clinics (including LG/satellite)	53			
	CHCs (including LG)	1			
	Total Fixed Clinics	***54***			
	District Hospitals	4			
Amajuba	Mobiles	8	1 098 350	2.0	566 861
	Fixed Clinics (including LG/satellite)	25			
	CHCs (including LG)	1			
	Total Fixed Clinics	***26***			
	District Hospitals	1			
Zululand	Mobiles	19	2 231 702	2.6	867 357
	Fixed Clinics (including LG/satellite)	71			
	CHCs (including LG)	1			
	Total Fixed Clinics	***72***			
	District Hospitals	5			
Umkhanyakude	Mobiles	18[22]	2 187 249	3.2	687 572

[20] Includes 1 Local Government funded mobile
[21] Excludes Amakhasi Clinic which had a headcount of 109 and was incorrectly loaded on DHIS
[22] Includes one private mobile service

Health District	Facility Type	Number of facilities	Total PHC headcount 2017/18	Per Capita Utilisation 2017/18	District Population (*DHIS 2017*)
	Fixed Clinics (including LG/satellite)	57			
	CHCs (including LG)	0[23]			
	Total Fixed Clinics	***57***			
	District Hospitals	5			
King Cetshwayo District	Mobiles	17			
	Fixed Clinics (including LG/satellite)	63			
	CHCs (including LG)	1	2 813 546	2.9	987 484
	Total Fixed Clinics	***64***			
	District Hospitals	6			
iLembe	Mobiles	11			
	Fixed Clinics (including LG/satellite)	34			
	CHCs (including LG)	2	1 776 161	2.6	694 015
	Total Fixed Clinics	***36***			
	District Hospitals	3			
Harry Gwala	Mobiles	12			
	Fixed Clinics (including LG/satellite)	39			
	CHCs (including LG)	1	1 277 735	2.5	506 382
	Total Fixed Clinics	***40***			
	District Hospitals	4			
eThekwini	Mobiles	26			
	Fixed Clinics (including LG/satellite)	119[24]			
	CHCs (including LG)	8	9 162 974	2.5	3 722 470
	Total Fixed Clinics	***127***			
	District Hospitals	4[25]			
Province	Mobiles	173			
	Fixed Clinics (including LG and satellite clinics)	598			
	CHCs (including LG)	21	28 403 348`	2.5	11 267 436
	Total Fixed Clinics	***619***			
	District Hospitals	39			

[23] The structure for Jozini CHC has been completed but it has not been commissioned as at March 2018

[24] Includes 9 State-Aided BT Clinics, 1 Reproductive Centre (Commercial Road Family Planning) and 2 Special Clinics namely Phoenix Assessment Centre and the Prince Zulu Communicable Disease Centre

[25] On DHIS, as at March 2018, McCords was classified as a District Hospital however it renderings specialised eye services. King Dinuzulu renders district hospital services with 400 district beds but is classified as Regional Hospital. St Mary's Marianhill was taken over in February 2018 by the Department of Health. Osindisweni and Wentworth District Hospitals remain as per status quo.

Primary Health Care

Table 31: (DHS2) Situation Analysis Indicators – 2017/18

APP 2017/18: Page 86; Table 20 (DHS 2)

Note:

1. DHIS calculates the 2017/18 population denominator as follows ((2017 population *0.75)+(2018 population * 0.25))

Indicators	Type	Provincial 2017/18	Ugu 2017/18	uMgungundlovu 2017/18	Uthukela 2017/18	Umzinyathi 2017/18	Amajuba 2017/18	Zululand 2017/18	Umkhanyakude 2017/18	King Cetshwayo 2017/18	iLembe 2017/18	Harry Gwala 2017/18	eThekwini 2017/18
1. Ideal clinic status determinations conducted by Perfect Permanent Team for Ideal Clinic Realization and Maintenance (PPICRM) rate (fixed clinic / CHC / CDC)[26]	%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Ideal Clinic status determinations conducted by (PPTICRM) (fixed clinic / CHC)	*No*	*610*	*53*	*53*	*37*	*54*	*26*	*72*	*57*	*64*	*36*	*40*	*118*
Fixed clinics plus fixed CHCs/CDCs	*No*	*610*	*53*	*53*	*37*	*54*	*26*	*72*	*57*	*64*	*36*	*40*	*118*[27]
2. Outreach household (OHH) registration visit coverage (annualised)	%	25.6%	8%	7.1%	30.5%	112.1%	76.2%	16.9%	21.4%	51.4%	34%	54%	9%

[26] Source: March 2018 Ideal Clinic Report

[27] The 9 BT State-aided clinics have not been included in the denominator as they do not form part of the assessment

APP 2017/18: Page 86; Table 20 (DHS 2)

Note:

1. DHIS calculates the 2017/18 population denominator as follows ((2017 population *0.75)+(2018 population * 0.25))

Indicators	Type	Provincial 2017/18	Ugu 2017/18	uMgungundlovu 2017/18	Uthukela 2017/18	Umzinyathi 2017/18	Amajuba 2017/18	Zululand 2017/18	Umkhanyakude 2017/18	King Cetshwayo 2017/18	iLembe 2017/18	Harry Gwala 2017/18	eThekwini 2017/18
Outreach Households registration visit[28]	*No*	*750 217*	*15 723*	*22 832*	*50 353*	*142 933*	*98 217*	*30 962*	*31 272*	*122 156*	*63 366*	*73 387*	*99 016*
Households in the population	*No*	*2 915 002*	*195 996*	*319 123*	*163 759*	*126 589*	*127 820*	*182 130*	*145 054*	*236 021*	*185 032*	*135 010*	*1 098 468*
3. PHC utilisation rate (Annualised)	Rate	2.5	2.8	2.3	2.3	2.4	2.0	2.6	3.2	2.9	2.6	2.5	2.5
PHC headcount total	*No*	*28 403 348*	*2 154 137*	*2 652 324*	*1 680 937*	*1 368 233*	*1 098 350*	*2 231 702*	*2 187 249*	*2 813 546*	*1 776 161*	*1 277 735*	*9 162 974*
Population total	*No*	*11 267 436*	*777 641*	*1 146 204*	*749 795*	*561 656*	*566 861*	*867 357*	*687 572*	*987 484*	*694 015*	*506 382*	*3 722 470*
4. Complaint resolution rate (PHC) [29]	%	89.8%	89.1%	92%	78.8%	82.2%	91.9%	91.5%	94.7%	91.2%	67.1%	71.8%	94.1%
Complaints resolved	*No*	*3 781*	*301*	*390*	*104*	*88*	*170*	*193*	*496*	*309*	*165*	*130*	*1 435*
Complaints received	*No*	*4 212*	*338*	*424*	*132*	*107*	*185*	*211*	*524*	*339*	*246*	*181*	*1 525*
5. Complaint resolution within 25 working days rate (PHC)	%	94.7%	86%	97.2%	93.3%	97.7%	98.2%	93.3%	92.9%	93.9%	95.8%	8.5%	96.9%

[28] Interpretation of data element (for reporting) should be clarified as it seems that households visits are considered as registration visits

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

APP 2017/18: Page 86; Table 20 (DHS 2)

Note:

1. DHIS calculates the 2017/18 population denominator as follows ((2017 population *0.75)+(2018 population * 0.25))

Indicators	Type	Provincial 2017/18	Ugu 2017/18	uMgungundlovu 2017/18	Uthukela 2017/18	Umzinyathi 2017/18	Amajuba 2017/18	Zululand 2017/18	Umkhanyakude 2017/18	King Cetshwayo 2017/18	iLembe 2017/18	Harry Gwala 2017/18	eThekwini 2017/18
Complaints resolved within 25 working days	*No*	*3 582*	*259*	*379*	*97*	*86*	*167*	*180*	*461*	*290*	*158*	*11*	*1 390*
Complaints resolved	*No*	*3 781*	*301*	*390*	*104*	*88*	*170*	*193*	*496*	*309*	*165*	*130*	*1 435*

Notes:

1. Indicator 1: "Ideal clinic status determinations conducted by Perfect Permanent Team for Ideal Clinic Realisation and Maintenance (PPICRM) Rate": The 9 BT State-aided clinics have not been included in the numerator or denominator

Table 32: Strategic Objectives, Indicators & Targets

APP 2017/18: Page 89; Table 22 (DHS 3)

Note:

1. DHIS calculates the 2017/18 population denominator as follows ((2017 population *0.75)+(2018 population * 0.25))

Strategic Objective Statement	Performance Indicator	Data Source	Actual 2016/17	Target 2017/18	Actual 2017/18	Deviation from Planned 2017/18 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. Ideal clinic status determinations conducted by Perfect Permanent Team for Ideal Clinic Realisation and Maintenance (PPTICRM) rate (fixed clinic/CHC/CDC)	Assessment records; Ideal Clinic dashboard; DHIS	34.4%	60%	100%	66.7%	Improved oversight and monitoring of Ideal Clinic implementation (including self-assessments). Poor performing districts have been targeted to improve performance and to strive towards maintaining the Ideal Clinic status.
	Ideal clinic status determinations conducted by PPTICRM (fixed clinic/CHC/CDC)	*Assessment records; DHIS*	*209*	*366*	*610*		
	Fixed clinics plus fixed CHCs/CDCs	*DHIS*	*610*	*610*	*610*		
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	2. Outreach household registration visit coverage (annualised)	Outreach registers; DHIS	25.5%	40%	25.6%	(36%)	The consistent decline in Ward-Based Outreach Teams (from 154 to 135 in the reporting year); inability to fill vacant posts (including CCG posts), inability to purchase additional vehicles for community-based outreach services due to financial constraints impacted negatively on performance. PEPFAR has been approached to assist with
	Outreach households registration visit	*Outreach Registers*	*651 894*	*1 150 337*	*750 217*		
	Households in the population	*Stats SA*	*2 549 433* [30]	*2 875 843*	*2 915 002* [31]		

[30] 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

[31] Population denominator has been updated to align with DHIS data

APP 2017/18: Page 89; Table 22 (DHS 3)

Note:

1. DHIS calculates the 2017/18 population denominator as follows ((2017 population *0.75)+(2018 population * 0.25))

Strategic Objective Statement	Performance Indicator	Data Source	Actual 2016/17	Target 2017/18	Actual 2017/18	Deviation from Planned 2017/18 Target	Comment on Deviation
							the filling of vacant posts in the interim, with the provision that the Department make provision for absorption in permanent structures in the next MTEF. The APP denominator (households in population) is based on Stats SA 2016 Community Survey data. For purposes of reporting, the DHIS population is used to ensure consistency in reporting.
1.5.3) PHC utilisation rate of at least 2.7 visits per person per year by March 2020	3. PHC utilisation rate (annualised)	DHIS	2.7	2.7	2.5	(7.4%)	This is a demand driven indicator and therefore not possible to predict with 100% accuracy. The exclusion of community-based data (patients previously managed at facility level) contributed to the decrease in utilisation. With inclusion of community-based data (6 602 705) the utilisation rate increased to 3.1 visits per patient per year Inadequate connectivity at clinic level for capturing on the Web-DHIS increase the margin of error – this is being addressed by ICT.
	PHC headcount total	*DHIS/PHC tick Register*	*29 200 948*	*30 645 987*	*28 403 348*		
	Population total	*DHIS/Stats SA*	*10 806 538*	*11 267 436*	*11 267 436*		
Strategic Objective 5.1: Improve compliance to the Ideal Clinic and National Core Standards							
5.1.6) Sustain a complaint resolution rate of 95% (or	4. Complaint resolution rate (PHC)	Complaints register; DHIS	88.4%	88.5%	89.8%	1.5%	Implementation of the National Core Standards

APP 2017/18: Page 89; Table 22 (DHS 3)

Note:

1. DHIS calculates the 2017/18 population denominator as follows ((2017 population *0.75)+(2018 population * 0.25))

Strategic Objective Statement	Performance Indicator	Data Source	Actual 2016/17	Target 2017/18	Actual 2017/18	Deviation from Planned 2017/18 Target	Comment on Deviation
more) in all public health facilities from March 2020 onwards	*Complaint resolved*	*Complaints Register*	*3 947*	*4 248*	*3 781*		
	Complaint received	*Complaints Register*	*4 465*	*4 800*	*4 212*		
5.1.7) Sustain a 95% (or more) complaint resolution within 25 working days rate in all public health facilities from March 2020 onwards	5. Complaint resolution within 25 working days rate (PHC)	Complaints register; DHIS	95.5%	95%	94.7%	(0.3%)	Variation considered within an acceptable deviation range. Nature of some complaints require additional time to resolve e.g. infrastructure
	Complaint resolved within 25 working days	*Complaints Register*	*3 769*	*4 036*	*3 582*		
	Complaint resolved	*Complaints Register*	*3 947*	*4 248*	*3 781*		
Strategic Objective 2.1: Increase life expectancy at birth							
2.1.1) Increase the total life expectancy to 60.5 years by March 2020	6. Life expectancy at birth - Total	Stats SA Mid-Year Estimates	56.4 years	60.0 years	60.7 years	1.2%	Reporting is based on Stats SA annual projections, which change the baseline year on year. It is therefore not possible for the Department to project this target with accuracy. Life expectancy is used as proxy indicator to measure the impact of improved quality of life (not isolated to health). Improved health outcomes, with specific reference to HIV, TB and Maternal & Child Health outcomes contributed significantly to improved life expectancy. Social
2.1.2) Increase the life expectancy of males to 58.4 years by March 2020	7. Life expectancy at birth - Male	Stats SA Mid-Year Estimates	54 years	57.9 years	57.8 years	(0.2%)	
2.1.3) Increase the life expectancy of females to 62.7 years by March	8. Life expectancy at birth - Female	Stats SA Mid-Year Estimates	58.7 years	62.1 years	63.5 years	2.3%	

APP 2017/18: Page 89; Table 22 (DHS 3)

Note:

1. DHIS calculates the 2017/18 population denominator as follows ((2017 population *0.75)+(2018 population * 0.25))

Strategic Objective Statement	Performance Indicator	Data Source	Actual 2016/17	Target 2017/18	Actual 2017/18	Deviation from Planned 2017/18 Target	Comment on Deviation
2020							determinants of health including poverty, level of education, unintentional injuries etc. also have a significant impact on the quality of life and ultimately life expectancy.
Strategic Objective 1.5: Accelerate implementation of PHC re-engineering							
1.5.4) Under 5 utilisation rate of at least 4.2 visits per child per year	9. PHC utilisation rate under 5 years (annualised)	PHC register; DHIS	4.3	3.9	3.5	(10.3%)	This is a demand driven indicator and therefore not possible to predict with 100% accuracy. The decrease in utilisation rate is ascribed to the exclusion of improved community-based data/ headcounts (children previously managed at fixed facilities) – include data from outreach services, Phila Mntwana Centres and Early Development Centres. Inclusion of the community-based data (1 704 801) increase the under 5 utilisation rate to 4.7.
	PHC headcount under 5 years	*PHC register; DHIS*	*4 947 149*	*5 237 566*	*4 640 618*		
	Population under 5 years	*Stats SA; DHIS*	*1 142 878*	*1 339 178*	*1 339 178*		
1.5.6) Increase the expenditure per PHC headcount to R 471 by March 2020	10. Expenditure per PHC headcount	DHIS;BAS	R 380	R 394	R 422	(7.1%)	This may be due to the procurement of large amounts of equipment for PHC facilities
	Total expenditure PHC (Sub-Programme 2.2-2.7)	*BAS*	*R 11 123 133*	*R 12 070 926*	*R 12 000 318*		
	PHC headcount total	*DHIS*	*29 200 948*	*30 645 987*	*28 403 348*		
1.5.7) Increase School Health Teams to 245 by	11. Number of School Health Teams (cumulative)	Persal; BAS	209	225	199	(11.6%)	Inability to fill vacant posts (including replacements) due to severe Compensation

APP 2017/18: Page 89; Table 22 (DHS 3)

Note:

1. DHIS calculates the 2017/18 population denominator as follows ((2017 population *0.75)+(2018 population * 0.25))

Strategic Objective Statement	Performance Indicator	Data Source	Actual 2016/17	Target 2017/18	Actual 2017/18	Deviation from Planned 2017/18 Target	Comment on Deviation
March 2020							of Employee budget constraints. The Department developed a Minimum Staff Establishment to inform re-prioritisation of essential/ critical posts. This will be operationalised in 2018/19 once due process has been completed and budget confirmed.
1.5.2) Increase the number of ward based outreach teams to 190 by March 2020	12. Number of ward based outreach teams (cumulative)[32]	Persal; BAS	154	160	135	(15.6%)	
1.5.8) Increase the accredited Health Promoting Schools to 335 by March 2020	13. Number of accredited health Promoting Schools (cumulative)	Accreditation Certificate ; Health Promotion database	314	315	370	17.5%	Performance significantly better than expected through:-. Improved collaboration between the Department of Basic Education, Social Development as well as Community Structures.
Strategic Objective 5.2: Improve quality of care							
1.6.1) 100% Provincial fixed PHC facilities score above 70% on the ideal Clinic Dashboard by March 2020	14. Percentage of fixed PHC facilities scoring above 70% on the ideal clinic dashboard	Assessment reports; Ideal Clinic Dashboard	64.2%	60%	75%	56.8%	Performance significantly better than expected. Active oversight and monitoring of implementation of Ideal Clinic Improvement Programmes after self-assessment; Integrated Clinic Services Management training as well as purchasing of vital equipment contributed to the better than expected performance.
	Number of fixed PHC facilities scoring above 70% on the Ideal Clinic Dashboard on assessment	*Assessment Reports*	*349*	*366*	*457*		
	Total number of PHC clinics/CHCs	*Assessment Reports*	*544*	*610*	*610*		

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

HIV, AIDS, STI and TB Control

Table 33: (HIV1) Situation Analysis Indicators – 2017/18

APP 2017/18: Page 102; Table 28 (DHS 8)

Note:

1. DHIS calculates the 2017/18 population denominator as follows ((2017 population *0.75)+(2018 population * 0.25))

Indicator	Type	Provincial 2017/18	Ugu 2017/18	uMgungundlovu 2017/18	Uthukela 2017/18	Umzinyathi 2017/18	Amajuba 2017/18	Zululand 2017/18	Umkhanyakude 2017/18	King Cetshwayo 2017/18	iLembe 2017/18	Harry Gwala 2017/18	eThekwini 2017/18
1. ART client remain on ART end of month - total	No	1 271 116	92 956	143 320	80 411	58 127	61 080	96 982	94 104	115 040	74 452	55 810	398 834
2. TB/HIV co-infected clients on ART rate[33]	No	89.8%	95.8%	99.9%	86.8%	97.1%	87.7%	86.9%	98.9%	99.5%	93.6%	97.4%	81.6%
TB/HIV co-infected client on ART	*%*	*38 507*	*3 287*	*3 867*	*1 815*	*1 629*	*1 343*	*2 662*	*2 318*	*3 881*	*2 392*	*1 640*	*13 673*
HIV positive TB client	*%*	*42 901*	*3 431*	*3 871*	*2 090*	*1 678*	*1 531*	*3 065*	*2 344*	*3 901*	*2 555*	*1 684*	*16 751*
3. HIV test done – total		3 050 729	247 823	289 839	129 193	206 144	146 832	235 476	164 489	288 606	151 427	163 301	1 027 599
4. Male condoms distributed	No	75 557 900	1 386 000	11 583 300	6 251 300	8 874 000	5 298 000	9 799 600	4 596 000	8 670 000	5 988 000	3 978 000	9 133 700

[33] Data was sourced from the TB unit, and not DHIS, as it is considered a more accurate reflection of the situation.

APP 2017/18: Page 102; Table 28 (DHS 8)

Note:

1. DHIS calculates the 2017/18 population denominator as follows ((2017 population *0.75)+(2018 population * 0.25))

Indicator	Type	Provincial 2017/18	Ugu 2017/18	uMgungundlovu 2017/18	Uthukela 2017/18	Umzinyathi 2017/18	Amajuba 2017/18	Zululand 2017/18	Umkhanyakude 2017/18	King Cetshwayo 2017/18	iLembe 2017/18	Harry Gwala 2017/18	eThekwini 2017/18
5. Medical male circumcision - total[34]	No	200 301	10 098	26 863	19 595	10 619	5 167	14 760	15 867	23 480	8 006	7 792	58 054
6. TB client 5 years and older start on treatment rate	%	106.8%	115.1%	106.3%	98.7%	95.9%	112%	96.8%	92.5%	123.4%	107.8%	132.1%	103.8%
TB client 5 years and older start on treatment	*No*	*36 158*	*3 079*	*2 820*	*2 514*	*832*	*1 374*	*1 929*	*1 470*	*4 358*	*2 377*	*1 271*	*14 134*
TB symptomatic client 5 years and older tested positive	*No*	*33 868*	*2 676*	*2 653*	*2 548*	*868*	*1 227*	*1 993*	*1 590*	*3 533*	*2 206*	*962*	*13 612*
7. TB client treatment success rate	%	86.6%	89.8%	88.6%	78.5%	91.7%	79.6%	86.6%	88.4%	94.5%	81.5%	90.2%	85.2%
TB client successfully completed treatment	*No*	*13 241*	*1 488*	*950*	*490*	*497*	*526*	*612*	*755*	*1065*	*486*	*433*	*5 939*

[34] Neonatal circumcisions included in figures above

APP 2017/18: Page 102; Table 28 (DHS 8)

Note:

1. DHIS calculates the 2017/18 population denominator as follows ((2017 population *0.75)+(2018 population * 0.25))

Indicator	Type	Provincial 2017/18	Ugu 2017/18	uMgungundlovu 2017/18	Uthukela 2017/18	Umzinyathi 2017/18	Amajuba 2017/18	Zululand 2017/18	Umkhanyakude 2017/18	King Cetshwayo 2017/18	iLembe 2017/18	Harry Gwala 2017/18	eThekwini 2017/18
TB client start on treatment	*No*	*15 290*	*1 657*	*1 072*	*624*	*542*	*661*	*707*	*854*	*1 127*	*596*	*480*	*6 970*
8. TB client lost to follow up rate	%	4.9%	3.8%	5.6%	2.1%	0.7%	6.4%	2.3%	2.9%	1.4%	10.6%	1.9%	5.9%
TB client on treatment lost to follow up	*No*	*753*	*63*	*60*	*13*	*38*	*42*	*16*	*25*	*16*	*63*	*9*	*408*
TB client start on treatment	*No*	*15 290*	*1 657*	*1072*	*624*	*542*	*661*	*707*	*854*	*1 127*	*596*	*480*	*6 970*
9. TB client death rate	%	3.2%	3%	3.9%	3%	7%	7.6%	6.9%	3.6%	1.3%	2.5%	5.2%	2.2%
TB client death during treatment	*No*	*488*	*50*	*42*	*19*	*38*	*50*	*49*	*31*	*15*	*15*	*25*	*154*
TB client start on treatment	*No*	*15 290*	*1 657*	*1 072*	*624*	*542*	*661*	*707*	*854*	*1 127*	*596*	*480*	*6 970*
10. TB MDR treatment success rate	%	63.1%	53.3%	62.9%	65%	59.5%	52.8%	52.4%	74.2%	58.5%	54.4%	62.7%	54%

APP 2017/18: Page 102; Table 28 (DHS 8)

Note:

1. DHIS calculates the 2017/18 population denominator as follows ((2017 population *0.75)+(2018 population * 0.25))

Indicator	Type	Provincial 2017/18	Ugu 2017/18	uMgungundlovu 2017/18	Uthukela 2017/18	Umzinyathi 2017/18	Amajuba 2017/18	Zululand 2017/18	Umkhanyakude 2017/18	King Cetshwayo 2017/18	iLembe 2017/18	Harry Gwala 2017/18	eThekwini 2017/18
TB MDR client successfully completing treatment	*No*	*1 790*	*155*	*158*	*69*	*66*	*57*	*130*	*178*	*179*	*74*	*69*	*655*
TB MDR confirmed client start on treatment	*No*	*2 839*	*240*	*226*	*116*	*90*	*103*	*183*	*185*	*245*	*135*	*92*	*1 224*

Table 34: Strategic Objectives, Indicators & Targets

APP 2017/18: Page 106; Table 30 (DHS 9)

Note:

1. DHIS calculates the 2017/18 population denominator as follows ((2017 population *0.75)+(2018 population * 0.25))

Strategic Objective Statement	Performance Indicator	Data Source	Actual 2016/17	Target 2017/18	Actual 2017/18	Deviation from Planned 2017/18 Target	Comment on Deviation
Strategic Objective 2.3: Manage HIV prevalence							
2.3.2) Increase the number of patients on ART to at least 1.5 million by March 2020 (cumulative)	1. ART client remain on ART end of month – total	DHIS/ART Register	1 181 691	1 295 471	1 271 116	(1.9%)	Data backlog on Tier.Net primarily attributed to inadequate number of Data Capturers at facility level. Patients forming part of the backlog are counted as defaulters and not included in the total clients remaining on ART. Community-based programmes (CCMDD) and facility-based monitoring systems are not fully functional, which impact negatively on tracking of patients between fixed facilities and accessing treatment at community level. Initiatives to capture outstanding data and improve monitoring, surveillance and referral have been scaled up in all districts.
	2. TB/HIV co-infected clients on ART rate	DHIS/ ART Register	88%	90%	89.8%[35]	(0.2%)	Deviation considered within an acceptable deviation range. Incomplete data due to IT infrastructure challenges (computer specifications) impacts negatively on data quality and increase the margin of error. This is being attended to through the IT Unit.
	TB/HIV co-infected clients on ART	*ART Register*	*41 611*	*51 134*	*38 507*		
	HIV positive TB client	*ART Register*	*47 269*	*56 816*	*42 901*		
Strategic Objective 2.2: Reduce HIV Incidence							

[35] Data was sourced from the TB unit, and not DHIS, as it is considered a more accurate reflection of the situation.

APP 2017/18: Page 106; Table 30 (DHS 9)

Note:

1. DHIS calculates the 2017/18 population denominator as follows ((2017 population *0.75)+(2018 population * 0.25))

Strategic Objective Statement	Performance Indicator	Data Source	Actual 2016/17	Target 2017/18	Actual 2017/18	Deviation from Planned 2017/18 Target	Comment on Deviation
2.2.2) Test at least 16.5 million people for HIV by March 2020 (cumulative)	3. HIV test done – total	DHIS/HIV Register	3 167 664 (9 929 024 cumulative)	2 260 448 (12 047 682 cumulative)	3 050 729 (12 979 753 cumulative)	35%	Target exceeded. Implementation of the Hlola Manje Zivikele Campaign, UTT (Universal test and Treat) and PICT (provider initiated consultation and testing) and the inclusion of testing done by Development Partners at community level all contributed to the better than expected performance
2.2.3) Increase the male condom distribution to 220 million by March 2019	4. Male condoms distributed	Stock/Bin Cards	185 574 089	210 038 898	75 557 900[36]	(64%)	Change in the indicator definition (NIDS 2017) from distribution at facility level to primary distribution sites, reduced the number of condoms issued drastically. Challenges with service provider for distribution
2.2.4) Increase the medical male circumcisions to 1.1 million by March 2020 (cumulative)	5. Medical male circumcision performed - total	MMC Register; Theatre register; DHIS	784 825[37] cum (122 132 annual)	847 064 cum (138 863 annual)	985 013[38] cumulative (200 188 annual)[39]	16.3%	Target exceeded. Active mobilisation and increase in the number of mobilisation cadres; the national initiative to fund private practitioners to do circumcisions through Conditional Grant funding; collaboration with other stakeholders through Isibaya Samadoda; and more active monitoring of partner data contributed towards the better than expected performance

[36] Primary distribution sites (not facility)

[37] After submission of first draft AR, planning was informed that data management, M&E and SHP included 113 that was captured after 16/17 data close-off

[38] The actual figure is 985 126 which includes 113 medical male circumcisions performed in 2016/17 but were not included in the 2016/17 closed-off data file

[39] This number excludes 5 2268 neonates (Total 205 569) – the cumulative total including neonates increased to 990 281.

APP 2017/18: Page 106; Table 30 (DHS 9)

Note:

1. DHIS calculates the 2017/18 population denominator as follows ((2017 population *0.75)+(2018 population * 0.25))

Strategic Objective Statement	Performance Indicator	Data Source	Actual 2016/17	Target 2017/18	Actual 2017/18	Deviation from Planned 2017/18 Target	Comment on Deviation
Strategic Objective 2.4: Improve TB outcomes							
2.4.5) Increase the TB clients 5 years and older start on treatment to 99% by March 2020	6. TB client 5 years and older start on treatment rate	TB/HIV Registers: TIER.net	Not reported	99.3%	106.8%	7.6%	Target exceeded. Inaccuracies in the data depicting positive diagnostics in the case identification register and TIER.net lowers the denominator, resulting in a perceived over-achievement. Outliers have been identified for provincial follow-up and intervention, and relevant SOPs will be disseminated to improve capturing in the Case Identification Register and Tier.Net
	TB client 5 years and older start on treatment	*TB/HIV Registers: TIER.net*	*Not reported*	*36 080*	*36 158*		
	TB symptomatic client 5 years and older tested positive	*TB/HIV Registers: TIER.net*	*Not reported*	*36 320*	*33 868*		
2.4.1) Increase the TB client treatment success rate to 90% (or more) by March 2020	7. TB client treatment success rate	TB register; ETR.Net	88.7%	87%	86.6%	(1.1%)	Deviation considered within an acceptable deviation range. IT software challenges impact on data quality (including under-reporting due to backlogs). University Research Council provides district support including support with data capturing
	TB client successfully completed treatment	*TB Register*	*15 707*	*27 310*	*13 241*		
	TB client start on treatment	*TB Register*	*17 711*	*31 391*	*15 290*		
2.4.6) Decrease the TB client lost to follow up	8. TB client lost to follow up rate	TB register; ETR.Net	4.1%	3.5%	4.9%	(40%)	Limited community-based resources (e.g. TB Tracer Teams) and incorrect residential

APP 2017/18: Page 106; Table 30 (DHS 9)

Note:

1. DHIS calculates the 2017/18 population denominator as follows ((2017 population *0.75)+(2018 population * 0.25))

Strategic Objective Statement	Performance Indicator	Data Source	Actual 2016/17	Target 2017/18	Actual 2017/18	Deviation from Planned 2017/18 Target	Comment on Deviation
to 2.6% (or less) by March 2020	*TB client on treatment lost to follow up*	*TB Register*	*719*	*1 099*	*753*		addresses provided by clients limit tracing of defaulters to treatment. Adherence counselling has been scaled up and a number of Enrolled Nurses have been appointed to strengthen surveillance.
	TB client start on treatment	*TB Register*	*17 711*	*31 391*	*15 290*		
2.4.3) Decrease the TB death rate to 2% by March 2020	9. TB client death rate	ETR.Net	3.2%	2.9%	3.2%	(10.3%)	High TB / HIV co-infection rate, late presentation by clients at facilities and missed opportunities for screening contribute to the higher than expected death rate. It is encouraging to note the 12% (73) reduction in the number of deaths between 2016/17 and 2017/18. TB awareness is being intensified to improve health seeking behaviour and compliance with treatment regimens.
	TB client death during treatment	*TB Register*	*561*	*910*	*492*		
	TB client start on treatment	*TB Register*	*17 711*	*31 391*[40]	*15 290*		
2.4.4) Increase the MDR-TB treatment success rate to 75% (or more) by March 2020	10. TB MDR treatment success rate	MDR Register; EDR Web	60%	61.9%	63.1%	1.9%	Sporadic network connectivity at Don McKenzie and King Dinuzulu Hospitals has resulted in TB-DR data not being uploaded onto EDR.net. Higher than expected unevaluated patients further contributed to the lower than expected performance, as although the patients have completed treatment they have not been evaluated to ensure that they are TB free and therefore cannot be included in the number of
	TB MDR client successfully completing treatment	*MDR Register*	*2 185*	*2 576*	*1 790*		
	TB MDR confirmed client start on treatment	*MDR Register*	*3 624*	*4 162*	*2 839*		

[40] Increase in denominator target as provided by programme manager

APP 2017/18: Page 106; Table 30 (DHS 9)

Note:

1. DHIS calculates the 2017/18 population denominator as follows ((2017 population *0.75)+(2018 population * 0.25))

Strategic Objective Statement	Performance Indicator	Data Source	Actual 2016/17	Target 2017/18	Actual 2017/18	Deviation from Planned 2017/18 Target	Comment on Deviation
							TB MDR clients successfully completing treatment
2.4.2) Reduce the TB incidence 400 (or less) per 100 000 by March 2020	11. TB incidence[41]	TB register; ETR.Net	511.3/ 100 000	500/ 100 000	481 / 100 000	3.8%	Better than expected performance. Improved education, surveillance and management of TB is expected to reduce the number of new cases.
	New confirmed TB cases	*TB Register*	*55 249*	*56 337*	*54 200*		
	Total population in KZN	*DHIS; Stats SA*	*10 806 538*	*11 267 436*	*11 267 436*		
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	12. TB XDR confirmed client started on treatment	XDR TB Register; EDR Web; TIER.Net	170	148	186	(25.7%)	The unexpected increase in cases might be due to successful capturing of data backlog and improved system functionality at King Dinuzulu Hospital (Centre of Excellence).
2.4.11) Maintain new smear positive PTB cure rate 85% or more from March 2017 onwards	13. New smear positive PTB cure rate	TB register; ETR.Net; TIER.net	84.1%	85%	80.7%	(5.1%)	High rate of unevaluated cases is a direct result of poor IT infrastructure that influence successful loading of data from Tier.net to ETR.net. All districts affected except King Cetshwayo, uMgungundlovu and Umzinyathi Districts. Systems challenges as well as improved clinical governance are being strengthened
	New smear positive pulmonary TB client cured	*TB Register*	*14 901*	*18 530*	*12 334*		
	New smear positive pulmonary TB	*TB Register*	*17 711*	*21 800*	*15 290*		

[41] TB notification rate reported as incidence

APP 2017/18: Page 106; Table 30 (DHS 9)

Note:

1. DHIS calculates the 2017/18 population denominator as follows ((2017 population *0.75)+(2018 population * 0.25))

Strategic Objective Statement	Performance Indicator	Data Source	Actual 2016/17	Target 2017/18	Actual 2017/18	Deviation from Planned 2017/18 Target	Comment on Deviation
	client start on treatment						
Strategic Objective 2.2: Reduce HIV incidence							
2.2.1) Reduce the HIV incidence to 1% (or less) by March 2020 (ASSA 2008 estimates)	14. HIV incidence	ASSA2008 estimates (not routinely collected) Thembisa Model	1.01% (0.71%)[42]	1.01% (0.63%)	1.01%[43] (0.63%)	0%	No deviation
2.2.5) Decrease male urethritis syndrome to at least 3% by March 2020	15. Male urethritis syndrome incidence	DHIS; Stats SA	29.5 / 1000	31.8 / 1 000	28.5 / 1000	10.9%	The better than expected performance is ascribed to increased focus on Men's Health/ Clinics and intensified screening and management of MUS. The target was set on the assumption that more cases will be identified with improved screening – performance closely monitored.
	Male urethritis syndrome treated – new episodes	PHC Register	*82 957*	*90 585*	*80 686*		
	Male population 15 – 49 years	DHIS; Stats SA	*2 814 805*	*2 831 094*	*2 831 094*		
2.3.1) Increase the number of patients on ART to at least 1.5 million by March 2020 (cumulative)	16. ART adult remain on ART end of period	ART Register; TIER.Net	1 129 314	1 226 020	1 221 515	(0.4%)	Deviation considered within an acceptable deviation range. The use of identify numbers as unique identifiers; and electronic patient monitoring and tracking in the CCMDD Programme will

[42] Change source to the Thembisa Model (to align with AIDS Council source document)

[43] ASSA2008 projections (previously used for reporting)

APP 2017/18: Page 106; Table 30 (DHS 9)

Note:

1. DHIS calculates the 2017/18 population denominator as follows ((2017 population *0.75)+(2018 population * 0.25))

Strategic Objective Statement	Performance Indicator	Data Source	Actual 2016/17	Target 2017/18	Actual 2017/18	Deviation from Planned 2017/18 Target	Comment on Deviation
							have a positive impact on patient compliance and follow-up.
	17. ART child under 15 years remain on ART end of period	ART Register; TIER.Net	52 377	69 451	49 601	(28.6%)	The identification and testing of children for HIV / AIDS is complex as many children are placed in informal/ formal day care centres or left with older relatives to be raised for the first few years of life, thus consent to test is not always readily available when health care practitioners request it. Innovative approaches are being explored to improve testing, linkage to care and monitoring & follow-up.

Notes:

1. TB data was downloaded on the 8th May 2018
2. Indicators number 12 – 14 & 19 relate to Pulmonary TB cases only. A decision was taken by National Department of Health during 2017/18 to monitor all TB cases going forward

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

Table 35: (MCWH1) Situation Analysis Indicators - 2017/18

APP 2017/18: Page 112; Table 32 (DHS 11)

Note:

1. DHIS calculates the 2017/18 population denominator as follows ((2017 population *0.75)+(2018 population * 0.25))

Indicator	Type	Provincial 2017/18	Ugu 2017/18	uMgungundlovu 2017/18	Uthukela 2017/18	Umzinyathi 2017/18	Amajuba 2017/18	Zululand 2017/18	Umkhanyakude 2017/18	King Cetshwayo 2017/18	iLembe 2017/18	Harry Gwala 2017/18	eThekwini 2017/18
1. Antenatal 1st visit before 20 weeks rate	%	72.1%	69.8%	70%	71.7%	78.8%	71.5%	74.6%	75.3%	70.3%	76.9%	72.9%	70.1%
Antenatal 1st visit before 20 weeks	*No*	*149 215*	*9 436*	*12 321*	*8 794*	*9 137*	*7 006*	*13 009*	*11 961*	*14 169*	*9 351*	*7 126*	*46 905*
Antenatal 1st visit total	*No*	*207 089*	*13 509*	*17 605*	*12 265*	*11 591*	*9 803*	*17 428*	*15 893*	*20 153*	*12 161*	*9 772*	*66 909*
2. Mother postnatal visit within 6 days rate	%	76.8%	69.9%	82.2%	71%	70.8%	74%	64.8%	76.2%	90.8%	70.8%	71.9%	80.4%
Mother postnatal visit within 6 days after delivery	*No*	*141 992*	*8 882*	*13 474*	*8 090*	*7 440*	*6 427*	*10 529*	*11 772*	*16 893*	*7 510*	*5 454*	*45 521*
Delivery in facility total	*No*	*184 816*	*12 714*	*16 387*	*11 389*	*10 512*	*8 685*	*16 244*	*15 443*	*18 605*	*10 603*	*7 587*	*56 647*
3. Infant PCR test positive around 10 weeks rate	*%*	0.71%	0.86%	0.55%	0.61%	0.36%	0.56%	0.79%	0.83%	0.54%	0.94%	0.55%	0.79%
Infant PCR test positive around 10 weeks	*No*	*361*	*33*	*25*	*19*	*9*	*13*	*34*	*28*	*25*	*30*	*14*	*131*
Infant PCR test around 10 weeks	*No*	*51 075*	*3 847*	*4 576*	*3 139*	*2 493*	*2 314*	*4 321*	*3 383*	*4 671*	*3 194*	*2 555*	*16 582*

APP 2017/18: Page 112; Table 32 (DHS 11)

Note:

1. DHIS calculates the 2017/18 population denominator as follows ((2017 population *0.75)+(2018 population * 0.25))

Indicator	Type	Provincial 2017/18	Ugu 2017/18	uMgungundlovu 2017/18	Uthukela 2017/18	Umzinyathi 2017/18	Amajuba 2017/18	Zululand 2017/18	Umkhanyakude 2017/18	King Cetshwayo 2017/18	iLembe 2017/18	Harry Gwala 2017/18	eThekwini 2017/18
4. Immunisation coverage under 1 year (annualised)	%	81.5%	66.4%	63.2%	66.9%	90.8%	79.1%	82.7%	85.5%	80.2%	86.3%	62.9%	97.6%
Immunised fully under 1 year new	*No*	*208 294*	*12 593*	*15 447*	*13 904*	*12 741*	*11 582*	*18 098*	*15 072*	*21 081*	*12 690*	*9 097*	*65 989*
Population under 1 year	*No*	*255 475*	*19 092*	*24 595*	*20 800*	*13 913*	*14 624*	*21 893*	*17 635*	*26 296*	*14 702*	*14 411*	*67 514*
5. Measles 2nd dose coverage (annualised)	%	77.5%	68.3%	64.7%	66.6%	84.3%	70.9%	81.4%	82.5%	83%	76.4%	66.6%	85.5%
Measles 2nd dose	*No*	*204 459*	*13 164*	*16 170*	*13 809*	*12 399*	*10 400*	*18 625*	*15 299*	*22 330*	*11 717*	*9 754*	*60 792*
Population 1 year	*No*	*263 843*	*19 397*	*25 149*	*20 769*	*14 596*	*14 657*	*22 893*	*18 534*	*26 901*	*15 350*	*14 598*	*70 999*
6. DTaP-IPV-HepB/Hib 3 - Measles 1st dose drop-out rate	%	0.7%	0.0%	2.6%	5.8%	4%	-1.4%	1%	-1.7%	-2.8%	0.9%	1%	0.4%
DTaP-IPV-HepB/Hib 3 to Measles 1st dose drop-out	*No*	*1 428*	*1*	*414*	*810*	*514*	*-136*	*171*	*-265*	*-528*	*105*	*93*	*249*
DTaP-IPV/Hib 3rd dose	*No*	*199 781*	*12 605*	*15 907*	*13 858*	*12 992*	*9 720*	*17 319*	*15 445*	*19 007*	*11 698*	*9 303*	*61 927*
7. Diarrhoea case fatality under 5 years rate	*%*	2.0%	1.6%	1.3%	1.7%	1.3%	0.51%	5.0%	1.4%	3.3%	1.3%	2.4%	2.5%

APP 2017/18: Page 112; Table 32 (DHS 11)

Note:

1. DHIS calculates the 2017/18 population denominator as follows ((2017 population *0.75)+(2018 population * 0.25))

Indicator	Type	Provincial 2017/18	Ugu 2017/18	uMgungundlovu 2017/18	Uthukela 2017/18	Umzinyathi 2017/18	Amajuba 2017/18	Zululand 2017/18	Umkhanyakude 2017/18	King Cetshwayo 2017/18	iLembe 2017/18	Harry Gwala 2017/18	eThekwini 2017/18
Diarrhoea death under 5 years	*No*	*116*	*8*	*8*	*9*	*6*	*2*	*9*	*5*	*18*	*5*	*13*	*33*
Diarrhoea separation under 5 years	*No*	*5 773*	*489*	*600*	*542*	*450*	*394*	*179*	*360*	*541*	*380*	*532*	*1 306*
8. Pneumonia case fatality under 5 years rate	*%*	2.5%	2.0%	*2.1%*	2.1%	1.6%	2.0%	4.7%	3.0%	5.5%	1.4%	1.7%	2.9%
Pneumonia death under 5 years	*No*	*230*	*22*	*22*	*13*	*11*	*9*	*10*	*10*	*33*	*10*	*12*	*78*
Pneumonia separation under 5 years	*No*	*9 134*	*1 111*	*1 024*	*628*	*699*	*454*	*215*	*329*	*596*	*692*	*727*	*2 659*
9. Severe acute malnutrition case fatality under 5 years rate	%	7.7%	8.2%	9.8%	10.0%	9.1%	12.2%	8.7%	5.0%	9.6%	3.2%	3.6%	9.1%
Severe acute malnutrition death in facility under 5 years	*No*	*200*	*15*	*12*	*23*	*17*	*6*	*12*	*8*	*30*	*8*	*11*	*58*
Severe acute malnutrition separation under 5 years	*No*	*2 582*	*182*	*122*	*231*	*186*	*49*	*138*	*159*	*314*	*252*	*309*	*640*
10. School Grade 1	No	56 372	2 876	4 678	4 002	1 613	3 023	10 730	7 171	6 462	2 623	4 770	8 424

APP 2017/18: Page 112; Table 32 (DHS 11)

Note:

1. DHIS calculates the 2017/18 population denominator as follows ((2017 population *0.75)+(2018 population * 0.25))

Indicator	Type	Provincial 2017/18	Ugu 2017/18	uMgungundlovu 2017/18	Uthukela 2017/18	Umzinyathi 2017/18	Amajuba 2017/18	Zululand 2017/18	Umkhanyakude 2017/18	King Cetshwayo 2017/18	iLembe 2017/18	Harry Gwala 2017/18	eThekwini 2017/18
learners screened													
11. School Grade 8 learners screened	No	12 231	2 702	551	251	456	955	3 296	933	71	692	703	1 619
12. Delivery in 10 to 19 years in facility rate	%	17.6%	18.8%	15.0%	18.9%	20.3%	16.3%	21.5%	21.0%	17.4%	20.2%	23.5%	14.2%
Delivery in 10 to 19 years in facility	*No*	*32 458*	*2 387*	*2 466*	*2 154*	*2 139*	*1 414*	*3 494*	*3 250*	*3 236*	*2 137*	*1 783*	*8 042*
Delivery in facility-total	*No*	*184 816*	*12 714*	*16 387*	*11 389*	*10 512*	*8 685*	*16 244*	*15 443*	*18 605*	*10 603*	*7 587*	*56 647*
13. Couple year protection rate (Int)	*%*	46.4%	30.4%	53.2%	52.5%	74.7%	60.9%	57.4%	47.0%	55.6%	60.9%	46.5%	31.7%
Couple year protection	*No*	*1 401 642*	*63 287*	*168 193*	*101 205*	*116 185*	*92 111*	*139 144*	*86 642*	*142 738*	*115 528*	*63 000*	*313 309*
Population 15-49 years females	*No*	*3 022 377*	*208 977*	*318 015*	*193 024*	*154 149*	*150 977*	*242 654*	*184 326*	*256 921*	*189 673*	*135 212*	*988 449*
14. Cervical cancer screening coverage 30 years and older (annualised)	*%*	79.4%	88.7%	77.1%	100.1%	87.7%	99.5%	87.6%	83.2%	85.7%	94.3%	81.1%	66.1%
Cervical cancer screening in woman 30 years	*No*	*183 993*	*13 051*	*18 517*	*13 546*	*9 279*	*10 536*	*13 808*	*10 283*	*15 748*	*13 342*	*7 346*	*58 537*

APP 2017/18: Page 112; Table 32 (DHS 11)

Note:

1. DHIS calculates the 2017/18 population denominator as follows ((2017 population *0.75)+(2018 population * 0.25))

Indicator	Type	Provincial 2017/18	Ugu 2017/18	uMgungundlovu 2017/18	Uthukela 2017/18	Umzinyathi 2017/18	Amajuba 2017/18	Zululand 2017/18	Umkhanyakude 2017/18	King Cetshwayo 2017/18	iLembe 2017/18	Harry Gwala 2017/18	eThekwini 2017/18
and older													
Population 30 years and older female/10	*No*	*231 645*	*14 785*	*24 139*	*13 547*	*10 486*	*10 576*	*15 770*	*12 355*	*18 379*	*14 149*	*9 027*	*88 435*
15. Infant exclusively breastfed at DTaP-IPV-Hib-HBV 3rd dose rate	%	*56.0%*	45.8%	53.3%	67.5%	78.0%	60.3%	54.7%	53.3%	58.5%	64.4%	55.6%	49.7%
Infant exclusively breastfed at DTaP-IPV-Hib-HBV 3rd dose	*No*	*111 873*	*5 768*	*8 471*	*9 354*	*10 138*	*5 865*	*9 464*	*8 227*	*11 116*	*7 534*	*5 173*	*30 763*
DTaP-IPV-Hib-HBV 3rd dose	*No*	*199 781*	*12 605*	*15 907*	*13 858*	*12 992*	*9 720*	*17 319*	*15 445*	*19 007*	*11 698*	*9 303*	*61 927*
16. Antenatal client start on ART rate	*%*	97.2%	87.9%	99.5%	99.3%	94.4%	98.6%	98.8%	99.8%	99.1%	99.3%	96.6%	96.5%
Antenatal client start on ART	*No*	*31 130*	*1 673*	*3 085*	*1 646*	*1 336*	*1 381*	*2 794*	*2 180*	*2 800*	*2 053*	*1 161*	*11 021*
Antenatal client known HIV positive but not ART at 1st visit	*No*	*32 012*	*1 904*	*3 102*	*1 658*	*1 416*	*1 401*	*2 184*	*2 827*	*2 826*	*2 067*	*1 202*	*11 425*
17. Human papilloma virus (HPV) 1st dose	No	37 754	596	3 249	4 796	245	2 216	7 761	4 325	5 153	2 181	37	7 195

APP 2017/18: Page 112; Table 32 (DHS 11)

Note:

1. DHIS calculates the 2017/18 population denominator as follows ((2017 population *0.75)+(2018 population * 0.25))

Indicator	Type	Provincial 2017/18	Ugu 2017/18	uMgungundlovu 2017/18	Uthukela 2017/18	Umzinyathi 2017/18	Amajuba 2017/18	Zululand 2017/18	Umkhanyakude 2017/18	King Cetshwayo 2017/18	iLembe 2017/18	Harry Gwala 2017/18	eThekwini 2017/18
18. Human papilloma virus (HPV) 2nd dose	No	70 224	5 236	6 319	5 875	3 709	3 771	7 525	6 463	6 626	4 382	3 167	17 151
19. Maternal mortality in facility ratio (annualised)	Ratio	101.9 / 100 000	96.7 / 100 000	170.6 / 100 000	140.2 / 100 000	70.3 / 100 000	132.4 / 100 000	75 / 100 000	80.8 / 100 000	134.8 / 100 000	72.4 / 100 000	96.8 / 100 000	85.7 / 100 000
Maternal death in facility	*No*	*197*	*13*	*29*	*17*	*8*	*12*	*13*	*13*	*26*	*8*	*8*	*50*
Live birth in facility plus Born alive before arrival at facility	*No*	*193 385*	*13 437*	*16 998*	*12 124*	*11 380*	*9 066*	*17 342*	*16 096*	*19 283*	*11 053*	*8 263*	*58 343*
20. Neonatal death in facility rate	No per 1000	12.4 / 1000	12.4 / 1000	12.7 / 1000	14.6 / 1000	11.2 / 1000	12.9 / 1000	12.2 /1000	9.9 / 1000	12.9 / 1000	14.7 / 1000	15.1 / 1000	11.9 / 1000
Neonatal 0-28 days death in facility	*No*	*2 271*	*156*	*206*	*164*	*118*	*110*	*197*	*152*	*238*	*154*	*113*	*663*
Live birth in facility	*No*	*182 529*	*12 570*	*16 157*	*11 267*	*10 498*	*8 532*	*16 090*	*15 325*	*18 430*	*10 482*	*7 478*	*55 700*

Table 36: Strategic Objectives, Indicators & Targets

APP 2017/18: Page 116; Table 34 (DHS 12)

Note:

1. DHIS calculates the 2017/18 population denominator as follows ((2017 population *0.75)+(2018 population * 0.25))

Strategic Objective Statement	Performance Indicator	Data Source	Actual 2016/17	Target 2017/18	Actual 2017/18	Deviation from Planned 2017/18 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% (or more) by March 2020	1. Antenatal 1st visit before 20 weeks rate	PHC Register; DHIS	70.2%	70.5%	72.1%	2.3%	Sustained implementation of household pregnancy screening and testing linked to care through referral to appropriate facilities – supported to community education & promotion/ prevention initiatives.
	Antenatal 1st visit before 20 weeks	*PHC Register*	*140 867*	*147 277*	*149 215*		
	Antenatal 1st visit total	*PHC Register*	*200 689*	*208 903*	*207 089*		
2.7.4) Increase the postnatal visit within 6 days rate to 70% (or more) by March 2020	2. Mother postnatal visit within 6 days rate	DHIS	66.8%	70.1%	76.8%	9.6%	Improved data flow processes now ensure the inclusion of hospital data.
	Mother postnatal visit within 6 days after delivery	*PHC Tick Register*	*120 018*	*130 442*	*141 992*		
	Delivery in facility total	*Delivery Register*	*179 540*	*186 063*	*184 816*		
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	3. Infant PCR test positive around 10 weeks rate	PHC register; TIER.Net; DHIS	1.1%	1.18%	0.71%	39.8%	Robust implementation and monitoring of EMTCT (Eliminate Mother to Child Transmission), education and community-based programmes to increase awareness and compliance to policies and management practices continue to improve outcomes. This remains a high priority programme with
	Infant PCR test positive around 10 weeks	*PHC Register*	*476*	*524*	*361*		
	Infant PCR test around 10 weeks	*PHC Register*	*45 281*	*44 400*	*51 075*		

APP 2017/18: Page 116; Table 34 (DHS 12)

Note:

1. DHIS calculates the 2017/18 population denominator as follows ((2017 population *0.75)+(2018 population * 0.25))

Strategic Objective Statement	Performance Indicator	Data Source	Actual 2016/17	Target 2017/18	Actual 2017/18	Deviation from Planned 2017/18 Target	Comment on Deviation
							the necessary vigorous monitoring.
Strategic Objective 2.6: Reduce under 5 mortality							
2.6.3) Increase immunisation coverage to 88% or more by March 2020	4. Immunisation coverage under 1 year (annualised)	DHIS	85.4%	81.7%	81.5%	(0.2%)	Deviation considered within an acceptable deviation range. Catch up campaigns in hard to reach areas will be strengthened. Although the coverage has decreased from 2016/17, an additional 18 778 children were fully vaccinated when compared to the previous reporting year.
	Immunised fully under 1 year new	*PHC Register*	*189 516*	*208 810*	*208 294*		
	Population under 1 year	*DHIS; Stats SA*	*221 991*	*255 475*	*255 475*		
2.6.4) Maintain the measles 2nd dose coverage of 90% (or more) from March 2017 onwards	5. Measles 2nd dose coverage (annualised)	PHC Register; DHIS	99.5%	90%	77.5%	(13.9%)	More emphasis will be placed on catch up campaigns in hard to reach areas to ensure access to immunisation and child health services.
	Measles 2nd dose	*PHC Register*	*225 110*	*237 459*	*204 459*		
	Population 1 year	*DHIS; Stats SA*	*226 330*	*263 843*	*263 843*		
2.6.5) Reduce the measles drop-out rate to 3% or less by March 2020	6. DTaP-IPV-HepB/Hib 3 - Measles 1st dose drop-out rate	PHC register; DHIS	-14.5%	5%	0.71%	85.8%	Improved interpretation of indicator.
	DTaP-IPV-HepB/Hib 3 to Measles1st dose drop-out	*PHC Register*	*-28 013*	*11 708*	*1 428*		
	DTaP-IPV-HepB/Hib 3rd dose	*PHC Register*	*193 210*	*234 158*	*199 781*		

APP 2017/18: Page 116; Table 34 (DHS 12)

Note:

1. DHIS calculates the 2017/18 population denominator as follows ((2017 population *0.75)+(2018 population * 0.25))

Strategic Objective Statement	Performance Indicator	Data Source	Actual 2016/17	Target 2017/18	Actual 2017/18	Deviation from Planned 2017/18 Target	Comment on Deviation
2.6.6) Reduce the under-5 diarrhoea case fatality rate to 2% (or less) by March 2020	7. Diarrhoea case fatality under 5 years rate	PHC & Death register; DHIS	2.0%	2.1%	2.0%	4.8%	Continued community awareness and intervention programmes, improved health seeking behaviour as well as improved clinical management at facility levels.
	Diarrhoea death under 5 years	*Death Register*	*192*	*211*	*116*		
	Diarrhoea separation under 5 years	*Admission & Discharge register*	*9 765*	*10 259*	*5 773*		
2.6.7) Reduce the under-5 pneumonia case fatality rate to 2.1% (or less) by March 2020	8. Pneumonia case fatality under 5 years rate	DHIS	1.8%	2.6%	2.5%	3.8%	Community-based programmes and rollout of a new supervision tool and introduction of eIMCI (electronic integrated management of childhood illnesses) guidelines improved quality of care.
	Pneumonia death under 5 years	*Tick Register/ Death Register*	*200*	*291*	*230*		
	Pneumonia separation under 5 years	*Admission records*	*11 081*	*11 251*	*9 134*		
2.6.8) Reduce the under-5 severe acute malnutrition case fatality rate to 6.5% by March 2020	9. Severe acute malnutrition case fatality under 5 years rate	DHIS	7.4%	7.4%	7.7%	(4.1%)	There is a reduction of 30 deaths and 537 admissions compared with 2016/17. Improved community awareness and improved clinical care at facility level are being strengthened. Misinterpretation of the indicator led to discrepancies in SAM admissions and deaths at source. More emphasis is being placed on improved supervision and data verification/ quality
	Severe acute malnutrition death in facility under 5 years	*Tick Register/Death Register*	*230*	*270*	*200*		
	Severe acute malnutrition separation under 5 years	*Admission & Discharge records*	*3 122*	*3 664*	*2 582*		

APP 2017/18: Page 116; Table 34 (DHS 12)

Note:

1. DHIS calculates the 2017/18 population denominator as follows ((2017 population *0.75)+(2018 population * 0.25))

Strategic Objective Statement	Performance Indicator	Data Source	Actual 2016/17	Target 2017/18	Actual 2017/18	Deviation from Planned 2017/18 Target	Comment on Deviation
Strategic Objective 1.5: Accelerate implementation of PHC re-engineering							
1.5.9) Increase the number of learners screened with at least 5% per annum	10. School Grade 1 learners screened	School Health register; DHIS	70 707	67 966	56 372	(17.1%)	Inadequate resources including School Health Teams due to high staff turnover and competing priorities; inadequate number of dedicated vehicles. Due to a limited Compensation of Employee budget filling of vacant posts was not possible during the reporting year.
	11. School Grade 8 learners screened	School Health register; DHIS	36 527	37 781	28 209	(25.3%)	
Strategic Objective 2.7: Reduce maternal mortality							
2.7.6.) Reduce deliveries under 19 years to 8% or less by March 2020	12. Delivery in 10 to 19 years in facility rate	DHIS	Not reported	8.6%	17.6%	(104.7%)	The target was an estimate and not based on a solid baseline (new indicator). Of the total deliveries to girls under 20 years, 1.9% (609) was to girls aged 10-14 years. The new Department of Basic Education Policy allows the Department to liaise with school governing bodies directly, and training and advocacy initiatives commenced. This will be scaled up in the new financial year. The "She Conquers" programme, targeting girls 15 years and older, will continue and programmes for younger target will be explored.
	Delivery 10 to 19 years in facility	*Tick Register*	-	*16 078*	*32 502*		
	Delivery in facility - total	*DHIS/ Stats SA*	-	*186 063*	*184 816*		
Strategic Objective 2.8: Improve women's health							

APP 2017/18: Page 116; Table 34 (DHS 12)

Note:

1. DHIS calculates the 2017/18 population denominator as follows ((2017 population *0.75)+(2018 population * 0.25))

Strategic Objective Statement	Performance Indicator	Data Source	Actual 2016/17	Target 2017/18	Actual 2017/18	Deviation from Planned 2017/18 Target	Comment on Deviation
2.8.1) Increase the couple year protection rate to 75% by March 2020	13. Couple year protection rate (International)	DHIS	53.9%[44]	64.7%	46.4%	(28.3%)	The change in definition/ calculation of the indicator resulted in a sharp decline in the overall performance. Condoms contributed 643 996 contraceptive years dispensed and account for 21.4% of the total couple year protection rate. Training and awareness programmes have been scaled up to improve coverage. Skills linked to the long acting contraceptive methods have been a challenge and more efforts are being placed on this for the next reporting year.
	Couple year protection	*Tick Register PHC/Hospital Register*	*1 599 550*	*1 954 646*	*1 401 342*		
	Population 15-49 years females	*Stats SA*	*2 966 034*	*3 022 377*	*3 022 377*		
2.8.2) Maintain the cervical cancer screening coverage of 75% (or more)	14. Cervical cancer screening coverage 30 years and older	DHIS	86%[45]	75%	79.4%	5.9%	The new liquid-based cytology screening was successfully rolled out to all districts with very positive results, including improved smear quality.
	Cervical cancer screening in woman 30 years and older	*Tick Register PHC / Hospital Register*	*205 706*	*173 734*	*183 993*		
	Population 30 years and older female/10	*DHIS/Stats SA*	*239 122*	*231 645*	*231 645*		
Strategic Objective 2.5: Reduce infant mortality							

[44] Indicator manually calculated using the 2016/17 APP population - DHIS (53.6%) uses the updated 2017 population

[45] Indicator manually calculated using the 2016/17 APP population - DHIS (85.6%) used the updated 2017 population

APP 2017/18: Page 116; Table 34 (DHS 12)

Note:

1. DHIS calculates the 2017/18 population denominator as follows ((2017 population *0.75)+(2018 population * 0.25))

Strategic Objective Statement	Performance Indicator	Data Source	Actual 2016/17	Target 2017/18	Actual 2017/18	Deviation from Planned 2017/18 Target	Comment on Deviation
2.5.1) Reduce the infant mortality rate to 29 per 1000 live birth by March 2020	15. Infant exclusively breastfed at DTaP-IPV-Hib-HBV 3rd dose rate	PHC register; DHIS	53.9%	60%	56%	(6.7%)	Performance does not correspond with the exclusive breastfeeding rates at 14 weeks, which will be investigated. Continued review of the data collection, recording and verification at source aims to address data quality issues.
	Infant exclusively breastfed at (DTaP-IPV-Hib-HBV) 3rd dose	*PHC Register*	*104 402*	*113 561*	*111 873*		
	DTaP-IPV-Hib-HBV 3rd dose	*PHC Register*	*193 700*	*189 268*	*199 781*		
2.7.5) Initiate 99% eligible antenatal clients on ART by March 2020	16. Antenatal client start on ART rate	ART & PHC register; DHIS	97.2%	98%	97.2%	(0.8%)	Deviation considered within acceptable deviation range. Linkage to care and same day initiation on ART are being strengthened as part of counselling
	Antenatal client start on ART	*ART & PHC Register*	*38 215*	*43 890*	*31 130*		
	Antenatal client known HIV positive but not on ART at 1st visit	*ART & PHC Register*	*39 325*	*44 786*	*32 012*		
2.8.3) Maintain programme to target 9 year old girls with HPV vaccine 1st and 2nd dose as part of cervical cancer prevention programme	17. Human papilloma virus (HPV) 1st dose	DHIS	65 341	84 150	37 754	(55.1%)	IT infrastructure challenges hindered data capturing during campaigns. This challenge has been escalated to the National Department of Health for urgent intervention as custodians of the electronic information system for HPV. Lack of resources (vehicles and staffing) also affected coverage of schools (consistent decrease in the number of School Health Teams without filling of vacant posts due to budget constraints).
	18. HPV 2nd dose	DHIS	64 973	84 150	70 224	(16.5%)	

Strategic Objective 2.7: Reduce maternal mortality

APP 2017/18: Page 116; Table 34 (DHS 12)

Note:

1. DHIS calculates the 2017/18 population denominator as follows ((2017 population *0.75)+(2018 population * 0.25))

Strategic Objective Statement	Performance Indicator	Data Source	Actual 2016/17	Target 2017/18	Actual 2017/18	Deviation from Planned 2017/18 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)	Midnight census; Maternity & Death register DHIS	106.7 / 100 000	105/100 000	101.9 / 100 000	3%	Improved antenatal, postnatal and intrapartum care, supported by improved community coverage, contributed to better than expected performance.
	Maternal death in facility	*Midnight Census/ Death Register*	*190*	*205*	*197*		
	Live birth in facility plus Born alive before arrival at facility	*Maternity Register*	*178 066*	*195 853*	*193 385*		
Strategic Objective 2.5: Reduce infant mortality							
2.5.3) Reduce the neonatal death in facility rate to at least 11.1/ 1000 by March 2020	20. Neonatal death in facility rate	Midnight census; Maternity & Death register; DHIS	9.7 / 1000	11.7 / 1000	12.4 / 1000	(6%)	Reduced regional capacity at especially Queen Nandi Hospital and district hospitals in King Cetshwayo, Umkhanyakude and Zululand combined with a skewed distribution of paediatricians has impacted negatively on the management of neonates. High levels of sepsis, listeria and birth asphyxia also increase negative outcomes. The purchasing and distribution of generators for compressors as part of nCPAP (nasal continuous positive airways pressure) and the creation of an additional 2 Kangaroo Mother Care Units in eThekwini is expected to reduce the number of deaths.
	Neonatal 0 – 28 days death in facility	*Midnight Census/ Death Register*	*1 736*	*2 158*	*2 271*		
	Live birth in facility	*Maternity Register*	*178 066*	*184 184*	*182 529*		

APP 2017/18: Page 116; Table 34 (DHS 12)

Note:

1. DHIS calculates the 2017/18 population denominator as follows ((2017 population *0.75)+(2018 population * 0.25))

Strategic Objective Statement	Performance Indicator	Data Source	Actual 2016/17	Target 2017/18	Actual 2017/18	Deviation from Planned 2017/18 Target	Comment on Deviation
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[46] (2012 onwards)	31/ 1000	29.5/ 1000	30/ 1000	(1.7%)	The variance is considered within an acceptable deviation range. Noting other contributing factors that have a significant impact on infant and under 5 mortality rates including social determinants of health e.g. poverty, deprivation, unemployment, access to basic services, education etc. Population-based indicator using ASSA2008 projections for reporting.
Strategic Objective 2.6: Reduce under 5 mortality							
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/ 1000	43 / 1000	(4.9%)	Noting other contributing factors that have a significant impact on infant and under 5 mortality rates including social determinants of health e.g. poverty, deprivation, unemployment, access to basic services, education etc.

[46] Rapid Mortality Surveillance

APP 2017/18: Page 116; Table 34 (DHS 12)

Note:

1. DHIS calculates the 2017/18 population denominator as follows ((2017 population *0.75)+(2018 population * 0.25))

Strategic Objective Statement	Performance Indicator	Data Source	Actual 2016/17	Target 2017/18	Actual 2017/18	Deviation from Planned 2017/18 Target	Comment on Deviation
2.6.10) Reduce under-5 diarrhoea with dehydration incidence to 10 (or less) per 1000 by March 2020	23. Diarrhoea with dehydration in child under 5 years incidence (annualised)	PHC Register; DHIS; Stats SA	12.5/ 1000	10.9/ 1000	8/ 1000	26.6%	Rotavirus vaccination and strengthened clinical and community-based IMCI (Integrated Management of Childhood Illnesses), as well as community-based services e.g. Phila Mntwana contributed to improved clinical management as well as early identification and management of diarrhoea at household level.
	Diarrhoea with dehydration new in child under 5 years	*PHC Register*	*14 294*	*14 597*	*10 695*		
	Population under 5 years	*DHIS/Stats SA*	*1 142 878*	*1 339 178*	*1 339 178*		
2.6.11) Reduce the under-5 pneumonia incidence to 63 (or less) per 1000 by March 2020	24. Pneumonia in child under 5 years incidence (annualised)	PHC register; DHIS; Stats SA	58/ 1000	63/ 1000	43.3 / 1000	31.3%	Pneumococcal vaccination and strengthened clinical and community-based IMCI (Integrated Management of Childhood Illnesses), as well as community-based services e.g. Phila Mntwana contributed to improved clinical management as well as early identification and management of the sick child at household level.
	Pneumonia new in child under 5 years	*PHC Register*	*66 150*	*84 368*	*57 929*		
	Population under 5 years	*DHIS/Stats SA*	*1 142 878*	*1 339 178*	*1 339 178*		
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	4.6/ 1000	4.6/ 1000	2.4 / 1000	47.8%	Intensified health promotion and prevention interventions at community level and re-enforcing screening and clinical management at facility levels improved detection and management of moderate acute malnutrition. Inter-Governmental programmes targeting poverty reduction strategies (social determinants of health) also contribute towards improved outcomes – targeted as core priority in the Provincial Growth & Development Plan.
	Child under 5 years with severe acute malnutrition new	*PHC Tick Register*	*5 192*	*6 100*	*3 268*		
	Population under 5 years	*DHIS/Stats SA*	*1 142 878*	*1 339 178*	*1 339 178*		

APP 2017/18: Page 116; Table 34 (DHS 12)

Note:

1. DHIS calculates the 2017/18 population denominator as follows ((2017 population *0.75)+(2018 population * 0.25))

Strategic Objective Statement	Performance Indicator	Data Source	Actual 2016/17	Target 2017/18	Actual 2017/18	Deviation from Planned 2017/18 Target	Comment on Deviation
2.6.9) Increase the Vitamin A dose 12-59 month coverage to 64% (or more) by March 2020	26. Vitamin A dose 12-59 months coverage (annualised)	PHC register; DHIS; StatsSA	61.9%[47]	59.1%	68.6%	15.9%	Data from community-based/ outreach services (outreach teams, CCG's, Early Childhood Centres and Phila Mntwana Centres) are now included in calculation of indicator therefore providing a more accurate measure of coverage.
	Vitamin A dose 12 - 59 months	*PHC Register*	*1 141 120*	*1 281 275*	*1 487 636*		
	Population 12-59 months (multiplied by 2)	*DHIS; Stats SA*	*1 841 762*	*2 167 410*	*2 167 410*		
2.6.12) Reduce the death in facility under 1 year rate to 5.5% or less by March 2020	27. Death in facility under 1 year rate (annualised)	Midnight census; Admission Discharge & Death register; DHIS	6.4%	6.1%	6.6%	(8.2%)	Late presentation at facilities, limited access to higher levels of care (inadequate specialised resources) and inability to provide respiratory support contributed to the higher than expected number of deaths. Improved use of steroids during labour should lower the number of deaths.
	Death in facility under 1 year total	*Death Register*	*2 838*	*3 151*	*2 864*		
	Inpatient separations under 1 year	*Midnight Census/ Admissions, Discharge & Death Register*	*44 252*	*51 659*	*43 598*		
2.6.13) Reduce the death in facility under 5 years rate to 5.0% (or	28. Death in facility under 5 years rate	Midnight census; Admission Discharge &	4.5%	5%	4.5%	10%	Pneumonia, severe acute malnutrition and diarrhoea remain the leading causes of death for children under the age of 5 years, and reduction in those deaths contributed to the

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

APP 2017/18: Page 116; Table 34 (DHS 12)

Note:

1. DHIS calculates the 2017/18 population denominator as follows ((2017 population *0.75)+(2018 population * 0.25))

Strategic Objective Statement	Performance Indicator	Data Source	Actual 2016/17	Target 2017/18	Actual 2017/18	Deviation from Planned 2017/18 Target	Comment on Deviation
less) by March 2020		Death register; DHIS					better than expected performance. The increase in the number of children under 5 years on ARV's also contributed to the decrease in deaths under 5 years.
	Death in facility under 5 years total	*Death Register*	*3 326*	*3 806*	*3 267*		
	Inpatient separations under 5 years	*Midnight Census/ Admissions, Discharge & Death registers*	*74 612*	*76 120*	*73 207*		

Disease Prevention and Control

Table 37: (DCP1) Situation Analysis Indicators - 2017/18

APP 2017/18: Page 128; Table 36 (DHS 14)

Note:

1. DHIS calculates the 2017/18 population denominator as follows ((2017 population *0.75)+(2018 population * 0.25))

Indicator	Type	Provincial 2017/18	Ugu 2017/18	uMgungundlovu 2017/18	Uthukela 2017/18	Umzinyathi 2017/18	Amajuba 2017/18	Zululand 2017/18	Umkhanyakude 2017/18	King Cetshwayo 2017/18	iLembe 2017/18	Harry Gwala 2017/18	eThekwini 2017/18
1. Cataract surgery rate (annualised) [48]	Rate	1 033.8/ 1 mil uninsured population	1 338.5/ 1 mil uninsured population	1 241.8/ 1 mil uninsured population	402.7/ 1 mil uninsured population	50.5/ 1 mil uninsured population	544.6/ 1 mil uninsured population	0/ 1 mil uninsured population	1 005.4/ 1 mil uninsured population	1 920.7/ 1 mil uninsured population	358.2/ 1 mil uninsured population	1 696.8/ 1 mil uninsured population	1 302.6/ 1 mil uninsured population
Total number of cataract surgeries completed	*No*	*10 262*	*917*	*1 254*	*266*	*25*	*272*	*0*	*609*	*1 671*	*219*	*757*	*4 272*
Population uninsured[49]	*No*	*9 926 611*	*685 102*	*1 009 806*	*660 569*	*494 819*	*499 405*	*764 142*	*605 751*	*869 973*	*611 427*	*446 123*	*3 279 496*
2. Malaria case fatality rate	Rate	4.4%	0%	0%	0%	0%	0%	7.1%	2.4%	3.2%	0%	0%	12.6%
Deaths from malaria	*No*	*26*	*0*	*0*	*0*	*0*	*0*	*2*	*8*	*3*	*0*	*0*	*13*
Total number of Malaria cases reported	*No*	*588*	*17*	*1*	*2*	*0*	*7*	*28*	*328*	*94*	*8*	*0*	*103*

[48] This indicator has been manually calculated to align to reported populations for Province

[49] This is aligned to the district population based on a provincial uninsured rate of 87.2%

Table 38: Strategic Objectives, Indicators & Targets

APP 2017/18: Page 129; Table 38 (DHS 15)

Note:

1. DHIS calculates the 2017/18 population denominator as follows ((2017 population *0.75)+(2018 population * 0.25))
2. The uninsured population estimate used in the calculation of the cataract surgery rate is 88.1% of the DHIS calculated population

Strategic Objective Statement	Performance Indicator	Data Source	Actual 2016/17	Target 2017/18	Actual 2017/18	Deviation from Planned 2017/18 Target	Comment on Deviation
Strategic Objective 2.9: Reduce incidence of non-communicable diseases							
2.9.6) Increase the cataract surgery rate to at least 850 per 1 mil uninsured population by March 2020	1. Cataract surgery rate (annualised)	DHIS	888.1 / 1 mil uninsured pop	705/ 1mil	1 033.8 / 1 mil uninsured pop	46.6%	Exceeded target significantly. Improved performance due to increased output from McCords Provincial Eye Hospital and partnerships with NGO's at high volume cataract sites. The inclusion of data from private facilities contributed to the significant increase in the number of cataract surgeries. Future targets make provision for this inclusion of data.
	Total number of cataract surgeries completed	*DHIS/ Theatre Register*	*8 556*	*7 000*	*10 262*		
	Population uninsured	*DHIS/Stats SA*	*9 633 452*	*9 926 611*	*9 926 611*		
Strategic Objective 2.10: Eliminate malaria							
2.10.2) Reduce the malaria case fatality rate to less than 0.5% by March 2020	2. Malaria case fatality rate	Malaria Information System	1.2%	0.8%	4.4%	(450%)	An increase of 46% in the number of imported cross border cases accessing facilities in especially Umkhanyakude for treatment. Late reporting for treatment increase the number of deaths. The National Department of Health, in partnership with the Global Fund, initiated a programme (MOSASWA) to screen and treat malaria cases along the SA / Mozambique border. This is expected to reduce the number of imported cases and malaria deaths.
	Deaths from malaria	*Malaria Register/Tick sheets PHC*	*7*	*4*	*26*		
	Total number of Malaria cases reported	*Malaria register/Tick sheets PHC*	*557*	*525*	*588*		

APP 2017/18: Page 129; Table 38 (DHS 15)

Note:

1. DHIS calculates the 2017/18 population denominator as follows ((2017 population *0.75)+(2018 population * 0.25))
2. The uninsured population estimate used in the calculation of the cataract surgery rate is 88.1% of the DHIS calculated population

Strategic Objective Statement	Performance Indicator	Data Source	Actual 2016/17	Target 2017/18	Actual 2017/18	Deviation from Planned 2017/18 Target	Comment on Deviation
2.10.1) Zero new local malaria cases by March 2020	3. Malaria incidence per 1000 population at risk	Malaria register; Stats SA	0.3 / 1000 pop at risk	0.4/ 1000 pop at risk	0.48 / 1000 pop at risk	(20%)	An increase of 46% in the number of imported cross border cases accessing facilities in especially Umkhanyakude for treatment. The National Department of Health, in partnership with the Global Fund, initiated a programme (MOSASWA) to screen and treat malaria cases along the SA / Mozambique border. This is expected to reduce the number of imported cases and malaria deaths
	Number of malaria cases (new)	*Malaria Register; Tick Register PHC*	*224*[50]	*275*	*328*		
	Population Umkhanyakude	*DHIS; Stats SA*	*655 616*	*687 572*	*687 572*		
Strategic Objective 2.9: Reduce incidence of non-communicable diseases							
2.9.3) Screen at least 2.5 million people (40 years and older) per annum for hypertension by March 2020	4. Clients 40 years and older screened for hypertension	DHIS/ Tick Register	10 537 695	2 473 572	5 115 499	106.8%	Misinterpretation of and non-compliance to hypertension screening guidelines and SOP (Standard Operating Procedure). Routine screening numbers included which skew the actual number of clients screening the first time. Guidelines and SOP compliance being enforced as well as vigilant monitoring of data at source level.

[50] Includes new cases specific to Umkhanyakude District which is the high risk area in KZN (at risk population)

APP 2017/18: Page 129; Table 38 (DHS 15)

Note:

1. DHIS calculates the 2017/18 population denominator as follows ((2017 population *0.75)+(2018 population * 0.25))
2. The uninsured population estimate used in the calculation of the cataract surgery rate is 88.1% of the DHIS calculated population

Strategic Objective Statement	Performance Indicator	Data Source	Actual 2016/17	Target 2017/18	Actual 2017/18	Deviation from Planned 2017/18 Target	Comment on Deviation
2.9.1 Hypertension incidence of 24.6 per 1000 population by March 2020	5. Hypertension incidence (annualised)	PHC register; DHIS	21.8 / 1000[51]	25.3/ 1000	21.3 / 1000	15.8%	Based on data, the number of new cases in public health facilities decreased with 8% (4 655) since 2016/17. It is assumed that improved surveillance (detection) will increase the number of diagnosed cases. Trends will be actively monitored to inform future targets.
	Hypertension client treatment new	*PHC Register*	*58 396*	*63 762*	*53 741*		
	Population 40 years and older	*DHIS; Stats SA*	*2 680 947*	*2 520 246*	*2 520 246*		
2.9.4) Screen at least 2.5 million people (40 years and older) per annum for diabetes by March 2020	6. Clients 40 years and older screened for diabetes	DHIS/ Tick Register	10 214 520	2 473 572	4 617 256	86.7%	Misinterpretation of and non-compliance to hypertension screening guidelines and SOP (Standard Operating Procedure). Routine screening numbers included which skew the actual number of clients screening the first time. Guidelines and SOP compliance being enforced as well as vigilant monitoring of data at source level.
2.9.2) Diabetes incidence of 3.1 per 1000 population by March 2020	7. Diabetes incidence (annualised)	PHC Register; DHIS	2.8 / 1000	3.6/ 1000	4.4 / 1000[52]	(22.2%)	Based on data, the number of new cases in public health facilities decreased with 10.6% (3 179) since 2016/17. It is assumed that improved surveillance (detection) will increase the number of diagnosed cases. Trends will be actively
	Diabetes client treatment new	*PHC Register*	*29 943*	*40 562*	*49 227*		
	Population total	*DHIS; Stats SA*	*10 806 538*	*11 267 436*	*11 267 436*		

[51] The indicator was calculated manually using the 2016/17 APP population - DHIS (21.7) used the updated 2017 population for calculation

[52] Calculated manually using numerator and denominator (DHIS calculation = 10.7/ 1000)

APP 2017/18: Page 129; Table 38 (DHS 15)

Note:

1. DHIS calculates the 2017/18 population denominator as follows ((2017 population *0.75)+(2018 population * 0.25))
2. The uninsured population estimate used in the calculation of the cataract surgery rate is 88.1% of the DHIS calculated population

Strategic Objective Statement	Performance Indicator	Data Source	Actual 2016/17	Target 2017/18	Actual 2017/18	Deviation from Planned 2017/18 Target	Comment on Deviation
							monitored to inform future targets.
2.9.5) Screen at least 1.5 million people for mental disorders at PHC services by March 2020	8. Mental disorders screening rate	PHC Register; DHIS	22.4%	5%	34.6%	59.2%	Increased compliance to screening for mental health conditions at PHC level as part of routine screening. The Department is investigating the quality of data based on screening criteria. It is expected that all screening does not comply with the prescribed screening tool.
	PHC client screened for mental disorders	PHC Register	*6 550 458*	*1 530 000*	*9 834 835*		
	PHC headcount - total	PHC Register	*29 200 948*	*30 645 987*	*28 403 348*		
2.9.7) Improve the number of wheelchairs issued to 4 200 by March 2020	9. Wheelchairs issued	PHC & OPD register; DHIS	7 576	3 950	3 880	(1.8%)	The late allocation of Community Service Officers to districts and budget pressures delayed purchasing and distribution of wheelchairs.
5.2.5) Improve the restoration to extraction ratio to 18:1 or less by March 2020	10. Dental extraction to restoration ratio	PHC Register; OPD & Theatre register; DHIS	18.7:1	20:1	20:1	0%	No deviation
	Tooth extraction	*PHC Register; OPD & Theatre register*	*537 762*	*472 500*	*510 011*		
	Tooth restoration	*PHC Register; OPD & Theatre register*	*28 809*	*23 625*	*25 408*		

District Hospitals

Table 39: (DHS6) Situation Analysis Indicators - 2017/18

APP 2016/17: Page 95; Table 24 (DHS 5)

Note:

1. DHIS indicator values have been used, although if calculated manually using the raw data provided, the values can differ slightly.
2. Data for McCords Hospital has been included under district hospitals although it provides specialised eye services (regional)
3. Data for King Dinuzulu Hospital, which provides 50% of district hospital services in eThekwini has been excluded in the data below, as it is classified as a Regional Hospital

Indicators	Type	Provincial 2017/18	Ugu 2017/18	uMgungundlovu 2017/18	Uthukela 2017/18	Umzinyathi 2017/18	Amajuba 2017/18	Zululand 2017/18	Umkhanyakude 2017/18	King Cetshwayo 2017/18	iLembe 2017/18	Harry Gwala 2017/18	eThekwini 2017/18
1. Hospital achieved 75% and more on National Core Standards self-assessment rate (District Hospitals)	%	81.8%	100%	50%	100%	100%	100%	100%	66.7%	100%	33.3%	75%	75%[53]
Hospital achieved 75% and more on National Core Standards self-assessment	No	*27*	*3*	*1*	*2*	*4*	*1*	*5*	*2*	*2*	*1*	*3*	*3*
National Core Standards self-assessment	No	*332*	*3*	*2*	*2*	*4*	*1*	*5*	*3*	*2*	*3*	*4*	*4*

[53] This includes McCords Hospital which is classified as a District Hospital but provides regional services as a specialised eye hospital

APP 2016/17: Page 95; Table 24 (DHS 5)

Note:

1. DHIS indicator values have been used, although if calculated manually using the raw data provided, the values can differ slightly.
2. Data for McCords Hospital has been included under district hospitals although it provides specialised eye services (regional)
3. Data for King Dinuzulu Hospital, which provides 50% of district hospital services in eThekwini has been excluded in the data below, as it is classified as a Regional Hospital

Indicators	Type	Provincial 2017/18	Ugu 2017/18	uMgungundlovu 2017/18	Uthukela 2017/18	Umzinyathi 2017/18	Amajuba 2017/18	Zululand 2017/18	Umkhanyakude 2017/18	King Cetshwayo 2017/18	iLembe 2017/18	Harry Gwala 2017/18	eThekwini 2017/18
2. Average length of stay - total	Days	5.4	5.6	5.3	5.4	6.3	4.4	5.4	5.5	5.9	5.4	5	4.6
Inpatient days - total	*No*	*1 724 723*	*201 244*	*156 855*	*105 688*	*206 755*	*12 029*	*264 716*	*233 227*	*186 446*	*67 857*	*149 246*	*140 660*
½ Day patients	*No*	*15 484*	*1 081*	*1 041*	*457*	*524*	*231*	*1 552*	*574*	*589*	*396*	*1 245*	*7 794*
Inpatient separations	*No*	*318 269*	*35 809*	*29 955*	*19 741*	*32 631*	*2 789*	*49 000*	*42 394*	*31 785*	*12 684*	*30 054*	*31 427*
3. Inpatient bed utilisation rate – total [54]	*%*	57%	67%	75.5%	63.3%	50%	64%	61.5%	57.7%	42.3%	49.2%	58.2%	56.5%
Inpatient days - total	*No*	*1 724 723*	*201 244*	*156 855*	*105 688*	*206 755*	*12 029*	*264 716*	*233 227*	*186 446*	*67 857*	*149 246*	*140 660*
½ Day patients	*No*	*15 484*	*1 081*	*1 041*	*457*	*524*	*231*	*1 552*	*574*	*589*	*396*	*1 245*	*7 794*
Inpatient bed days available	*No*	*3 038 562*	*300 975*	*208 438*	*167 218*	*413 955*	*18 982*	*431 477*	*404 829*	*440 968*	*138 441*	*257 718*	*255 558*

[54] This indicator has been calculated manually due to the transition to Web Based DHIS

APP 2016/17: Page 95; Table 24 (DHS 5)

Note:

1. DHIS indicator values have been used, although if calculated manually using the raw data provided, the values can differ slightly.
2. Data for McCords Hospital has been included under district hospitals although it provides specialised eye services (regional)
3. Data for King Dinuzulu Hospital, which provides 50% of district hospital services in eThekwini has been excluded in the data below, as it is classified as a Regional Hospital

Indicators	Type	Provincial 2017/18	Ugu 2017/18	uMgungundlovu 2017/18	Uthukela 2017/18	Umzinyathi 2017/18	Amajuba 2017/18	Zululand 2017/18	Umkhanyakude 2017/18	King Cetshwayo 2017/18	iLembe 2017/18	Harry Gwala 2017/18	eThekwini 2017/18
4. Expenditure per patient day equivalent (PDE)[55]	R	R 2 589	R 2 315	R 2 191	R 2 674	R 2 748	R3 649	R 2528	R 2 592	R 2 403	R 3 377	R 2 778	R 2 695
Expenditure total	*R' 000*	*6 502 577*	*655 423*	*546 276*	*388 425*	*774 898*	*76 802*	*897 811*	*833 447 718*	*719 835*	*320 823 851*	*531 663*	*723 076*
Patient day equivalent	*No*	*2 511 728*	*283 172*	*249 298*	*145 268*	*281 967*	*21 046*	*355 217*	*321 533*	*299 510*	*95 015*	*191 387*	*268 311*
5. Complaint resolution rate	%	83.4%	85.2%	79.9%	91.9%	60.6%	81.8%	93.1%	86%	87.8%	89.2%	82.5%	89.3%
Complaint resolved	*No*	*1 615*	*167*	*167*	*91*	*157*	*27*	*217*	*215*	*180*	*91*	*127*	*176*
Complaint received	*No*	*1 937*	*196*	*209*	*99*	*259*	*33*	*233*	*250*	*205*	*102*	*154*	*197*
6. Complaint resolution within 25 working days rate	%	92.3%	100%	91.6%	80.2%	66.2%	96.3%	93.1%	95.8%	100%	100%	94.5%	96%

[55] District-specific expenditure data not available

APP 2016/17: Page 95; Table 24 (DHS 5)

Note:

1. DHIS indicator values have been used, although if calculated manually using the raw data provided, the values can differ slightly.
2. Data for McCords Hospital has been included under district hospitals although it provides specialised eye services (regional)
3. Data for King Dinuzulu Hospital, which provides 50% of district hospital services in eThekwini has been excluded in the data below, as it is classified as a Regional Hospital

Indicators	Type	Provincial 2017/18	Ugu 2017/18	uMgungundlovu 2017/18	Uthukela 2017/18	Umzinyathi 2017/18	Amajuba 2017/18	Zululand 2017/18	Umkhanyakude 2017/18	King Cetshwayo 2017/18	iLembe 2017/18	Harry Gwala 2017/18	eThekwini 2017/18
Complaint resolved within 25 working days	*No*	*1 491*	*167*	*153*	*73*	*104*	*26*	*202*	*206*	*180*	*91*	*120*	*169*
Complaint resolved	*No*	*1 615*	*167*	*167*	*91*	*157*	*27*	*217*	*215*	*180*	*91*	*127*	*176*

Table 40: Strategic Objectives, Indicators and Targets

APP 2017/18: Page 97; Table 26 (DHS 6)

1. DHIS indicator values have been used, although if calculated manually using the raw data provided, the values can differ slightly.
2. Data for McCords Hospital has been included under district hospitals although it provides specialised eye services (regional)
3. Data for King Dinuzulu Hospital, which provides 50% of district hospital services in eThekwini, has been excluded in the data below, as it is classified as a TB Hospital.

Strategic Objective Statement	Performance Indicator	Data Source	Actual 2016/17	Target 2017/18	Actual 2017/18	Deviation from Planned 2017/18 Target	Comment on Deviation
Strategic Objective 5.1: Improve compliance to the Ideal Clinic and National Core Standards							
5.1.2) 60% (or more) public health hospitals achieved 75% and more on the National Core Standards self-assessment rate by March 2020	1. Hospital achieved 75% and more on National Core Standards self-assessment rate (District Hospitals)	Self-assessment records; QA records; DHIS	Not reported	21%	81.8%	289.5%	Improved oversight for implementation of the National Core Standards including increased self-assessments and development and implementation of quality improvement programmes.
	Hospital achieved 75% and more on National Core Standards self-assessment	*NCS Assessment records*	-	*8*	*27*		
	National Core Standards self-assessment	*NCS Assessment records*	-	*38*	*33*		
Strategic Objective 1.7: Improve hospital efficiencies							
1.7.3) Improve hospital efficiencies by reducing the average length of stay to less than 5.5 days (District) 5.3 Regional), 15 days (TB), 286.5 days (Psych), 28.5 days (Chronic), 9 days (Tertiary), and 8.6 days (Central) by March 2020	2. Average length of stay – total	DHIS	5.7 Days	5.7 Days	5.4 Days	5.3%	This is a demand driven indicator and therefore not possible to predict with 100% accuracy. The performance is considered a positive result as patient's stays are marginally shorter. It must however be considered that the burden of disease (cause for admission and severity of the condition/illness) will determine the length of stay.
	In-patient days - total	*Midnight Census*	*1 909 462*	*1 859 332*	*1 724 723*		
	½ Day patients	*Admission/ Discharge Register*	*14 698*	*13 989*	*15 484*		
	Inpatient separations	*Admission/ Discharge Register*	*336 487*	*329 978*	*318 269*		

APP 2017/18: Page 97; Table 26 (DHS 6)

1. DHIS indicator values have been used, although if calculated manually using the raw data provided, the values can differ slightly.
2. Data for McCords Hospital has been included under district hospitals although it provides specialised eye services (regional)
3. Data for King Dinuzulu Hospital, which provides 50% of district hospital services in eThekwini, has been excluded in the data below, as it is classified as a TB Hospital.

Strategic Objective Statement	Performance Indicator	Data Source	Actual 2016/17	Target 2017/18	Actual 2017/18	Deviation from Planned 2017/18 Target	Comment on Deviation
1.7.1) Maintain a bed utilisation rate of 75% (or more) by March 2020	3. Inpatient bed utilisation rate – total	DHIS	57.8%[56]	66.8%	57%	(14.6%)	This is a demand driven indicator and therefore not possible to predict with 100% accuracy. Reasons for deviation are hospital specific and include non-compliance with admission and discharge policies; inadequate resources (high vacancy rates, skills gaps, equipment, etc.); and wards closed for repairs (e.g. storm damage and maintenance). A hospital efficiency study is currently being conducted to inform appropriate interventions to address low utilisation.
	In-patient days - total	*Midnight Census*	*1 909 462*	*1 859 332*	*1 724 723*		
	½ Day patients	*Admission/ Discharge Register*	*14 698*	*13 989*	*15 484*		
	Inpatient bed days available	*DHIS*	*3 312 010*	*2 793 547*	*3 038 562*		
Strategic Objective 1.7: Improve hospital efficiencies							
1.7.4) Maintain expenditure per PDE within the provincial norms	4. Expenditure per patient day equivalent (PDE)	BAS; DHIS	R 2 228	R 2 320	R 2 589	(11.65%)	The biggest contributing districts to the Provincial expenditure per PDE being over the expected target are Amajuba, iLembe, Umzinyathi and Uthukela. The reasons include incorrect staff linkage, low BUR and inherent cost drivers. A hospital efficiency study is currently being conducted to inform appropriate interventions to address low utilisation.
	Expenditure total	*BAS*	*6 069 456*	*6 393 205*	*6 502 577*		
	Patient day equivalent	*DHIS*	*2 723 880*	*2 755 657*	*2 511 728*		
Strategic Objective 5.1: Improve compliance to the Ideal Clinic and National Core Standard							
5.1.6) Sustain a	5. Complaints resolution rate	DHIS/QA	78.6%	82%	83.4%	1.7%	Implementation of the National Core Standards

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

APP 2017/18: Page 97; Table 26 (DHS 6)

1. DHIS indicator values have been used, although if calculated manually using the raw data provided, the values can differ slightly.
2. Data for McCords Hospital has been included under district hospitals although it provides specialised eye services (regional)
3. Data for King Dinuzulu Hospital, which provides 50% of district hospital services in eThekwini, has been excluded in the data below, as it is classified as a TB Hospital.

Strategic Objective Statement	Performance Indicator	Data Source	Actual 2016/17	Target 2017/18	Actual 2017/18	Deviation from Planned 2017/18 Target	Comment on Deviation
complaint resolution rate of 95% (or more) in all public health facilities from March 2020 onwards		database					has had a positive impact on the management of complaints. Complaints management are also targeted as integral component of the Service Delivery Improvement Plan. Poor attendance of complainants at redress meetings convened.
	Complaints resolved	*Complaints Register*	*1 982*	*2 048*	*1 615*		
	Complaints received	*Complaints Register*	*2 523*	*2 498*	*1 937*		
	6. Complaint resolution within 25 working days rate	DHIS	92.1%	93%	92.3%	(0.8%)	Deviation considered within an acceptable deviation range. There is still a challenge in functionality of Complaints Committees at facility level, which is affected by shortage of staff. The nature of some complaints requires more time to address complaints.
	Complaints resolved within 25 working days	*Complaints Register*	*1 825*	*1 905*	*1 491*		
	Complaints resolved	*Complaints Register*	*1 982*	*2 048*	*1 615*		
Strategic Objective 2.7: Reduce maternal mortality							
2.7.2) Reduce the caesarean section rate to 26% (District), 37% (Regional), 60% (Tertiary), and 67% (Central) by March 2020	7. Delivery by caesarean section rate	DHIS	28.9%	27.5%	28.5%	(3.6%)	This is Clinically determined. The high number of teenage pregnancies (32 502 in 2017/18) and high HIV prevalence (44.4% pregnant women) contributes to the number of caesarean sections done. Family planning is being actively promoted at Tertiary Vocational and Educational Training Centres (TVETS) and the Policy for School Health has been amended in 2017/18 to allow School Governing Bodies to give consent for pupils to access health care.
	Delivery by caesarean section	*Delivery & Theatre Registers*	*24 959*	*23 954*	*23 618*		
	Delivery in facility total	*Delivery Register*	*86 145*	*87 109*	*82 797*		

APP 2017/18: Page 97; Table 26 (DHS 6)

1. DHIS indicator values have been used, although if calculated manually using the raw data provided, the values can differ slightly.
2. Data for McCords Hospital has been included under district hospitals although it provides specialised eye services (regional)
3. Data for King Dinuzulu Hospital, which provides 50% of district hospital services in eThekwini, has been excluded in the data below, as it is classified as a TB Hospital.

Strategic Objective Statement	Performance Indicator	Data Source	Actual 2016/17	Target 2017/18	Actual 2017/18	Deviation from Planned 2017/18 Target	Comment on Deviation
Strategic Objective 1.7: Improve hospital efficiencies							
1.7.5) Reduce the unreferred outpatient department (OPD) headcounts with at least 7% per annum	8. OPD headcount- total	*DHIS/ OPD tick Register*	2 310 070	2 324 897	2 071 795	10.9%	This is a demand driven indicator and therefore not possible to predict with 100% accuracy. Improved PHC services including improved clinic coverage by medical officers can be considered contributory factors to the gradual decrease in outpatient numbers.
	9. OPD headcount not referred new	*DHIS/ OPD tick Register*	460 530	397 894	409 980	(2.8%)	This is a demand driven indicator and therefore not possible to predict with 100% accuracy. The geographic distribution of facilities limits access to PHC facilities in some areas therefore resulting in patients entering the health system at hospital level. Eight (8) district hospitals do not have gateway clinics. The OPD headcount not referred new in these facilities is 141 703

Changes to planned targets

No targets were changed during the reporting period.

Strategies to overcome areas of under-performance

The Province has approached PEPFAR to assist with the funding of vacant posts for school health and Ward Based Outreach Teams. This would improve outreach services in hard to reach communities.

The Mental Health Programme has established a technical working group which has been tasked to design a standards tool and operating procedure for screening at the PHC service delivery level.

Finalisation of the hospital rationalisation plan and the implementation thereof will drastically improve the functionality and efficiency of district hospital services. The Research component of the Department of Health has undertaken research into efficiency indicators at 20 hospitals within KwaZulu-Natal, the results of which will be consulted during 2018/19. This initiative, combined with the audit being conducted in districts with high caesarean section rates

TB tracer teams have proven inadequate there is therefore an initiative to scale up and improve monitoring, surveillance and referrals in all districts combined with the back capturing of outstanding data to improve data quality. The shortage of data capturers continues to be a challenge in the capturing of data for all HAST programmes

Children's health will benefit from catch up campaigns in hard to reach areas to improve immunisation. The commissioning of 2 additional KMC units in eThekwini will also have a positive impact on the health of neonates. The training of PHC supervisors on how to continuously monitor programme performance will also be conducted by the MCWH component to improve data quality.

The continuation of the MOSASWA (Mozambique, South Africa, Swaziland) programme to improve screening for malaria at border posts, and the treatment thereof will be strengthened as the number of malaria cases has increased substantially during 2017/18.

Linking performance with budget

Table 41: Budget appropriation and expenditure

Programme per Sub-Programme		2017/18							2016/17	
		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	282 135	-	6 474	288 609	288 609	-	100.0%	280 141	283 008
	Transfers and subsidies	1 429	-	(677)	752	752	-	100.0%	1 881	1 929

Programme per Sub-Programme		2017/18							2016/17	
		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	3 800	-	8 901	12 701	12 701	-	100.0%	15 950	6 253
	Total	**287 364**	**-**	**14 698**	**302 062**	**302 062**	**-**	**100.0%**	**297 972**	**291 190**
2.2	**Community Health Clinics**									
	Current payments	4 038 096	-	(209 441)	3 828 655	3 821 357	7 298	99.8%	3 728 833	3 743 103
	Transfers and subsidies	127 796	-	21 178	148 974	154 291	(5 317)	103.6%	184 452	157 420
	Payments for capital assets	61 763	-	(16 920)	44 843	44 843	-	100.0%	34 000	15 334
	Total	**4 227 655**	**-**	**(205 183)**	**4 022 472**	**4 020 491**	**1 981**	**100.0%**	**3 947 285**	**3 915 857**
2.3	**Community Health Centres**									
	Current payments	1 608 677	-	(20 620)	1 588 057	1 588 057	-	100.0%	1 508 725	1 492 833
	Transfers and subsidies	7 742	-	6 018	13 760	13 760	-	100.0%	4 341	4 544
	Payments for capital assets	22 165	-	1 370	23 535	23 535	-	100.0%	12 000	2 891
	Total	**1 638 584**	**-**	**(13 232)**	**1 625 352**	**1 625 352**	**-**	**100.0%**	**1 525 066**	**1 500 268**
2.4	**Community Based Services**									
	Current payments	460 715	-	(159 166)	301 549	301 549	-	100.0%	100 000	56 204
	Transfers and subsidies	745	-	(124)	621	621	-	100.0%		
	Payment for capital assets	10 193	-	(6 138)	4 055	4 055	-	100.0%		
	Total	**471 653**	**-**	**(165 428)**	**306 225**	**306 225**	**-**	**100.0%**	**100 000**	**56 204**
2.5	**Other Community Services**									

Programme per Sub-Programme		2017/18							2016/17	
		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	1 032 556	-	6 461	1 039 017	1 039 017	-	100.0%	1 153 522	1 151 602
	Transfers and subsidies	29 913	-	(1 817)	28 096	28 096	-	100.0%	4 807	4 807
	Payments for capital assets	805	-	3 557	4 362	4 362	-	100.0%	10 000	84
	Total	**1 063 274**	**-**	**8 201**	**1 071 475**	**1 071 475**	**-**	**100.0%**	**1 168 329**	**1 156 493**
2.6	**HIV and AIDS**									
	Current payments	4 708 545	-	166 185	4 874 730	4 880 044	(5 314)	100.1%	4 231 634	4 410 629
	Transfers and subsidies	117 746	-	-	117 746	131 585	(13 839)	111.8%	98 271	57 051
	Payments for capital assets	26 204	-	-	26 204	7 051	19 153	26.9%	31 336	31 357
	Total	**4 852 495**	**-**	**166 185**	**5 018 680**	**5 018 680**	**-**	**100.0%**	**4 361 241**	**4 499 037**
2.7	**Nutrition**									
	Current payments	52 920	-	(10 980)	41 940	41 940	-	100.0%	48 822	44 762
	Payments for capital assets	-	-	-	-	-	-	-	178	178
	Total	**52 920**	**-**	**(10 980)**	**41 940**	**41 940**	**-**	**100.0%**	**49 000**	**44 940**
2.8	**Coroner Services**									
	Current payments	219 784	-	(2 889)	216 895	216 895	-	100.0%	183 741	179 216
	Transfers and subsidies	184	-	120	304	304	-	100.0%	66	66
	Payments for capital assets	3 752	-	877	4 629	4 629	-	100.0%	4 500	803
	Total	**223 720**	**-**	**(1 892)**	**221 828**	**221 828**	**-**	**100.0%**	**188 307**	**180 085**
2.9	**District Hospitals**									
	Current payments	6 306 846	-	(100 023)	6 206 823	6 234 966	(28 143)	100.5%	5 863 972	5 836 979

Programme per Sub-Programme		2017/18							2016/17	
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
	Transfers and subsidies	190 062	-	71 422	261 484	267 612	(6 128)	102.3%	157 024	232 477
	Payments for capital assets	126 627	-	28 143	154 770	116 126	38 644	75.0%	50 890	10 411
	Payment for financial assets	-	-	19	19	19	-	100.0%	-	30
	Total	**6 623 535**	**-**	**(439)**	**6 623 096**	**6 618 723**	**4 373**	**99.9%**	**6 071 886**	**6 079 897**

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

Response times for both EMS and P1 urban and rural improved. An increase in EMS inter-facility transfer rate was also reported.

Response times are not only determined by the number of operational ambulances the Department has but also by influencing factors like terrain, road infrastructure, demand / case load, rural /deep rural areas where road names and house numbers do not exist as well as weather conditions.

The demand for EMS services has increased immensely as compared to the previous year. The demand for non-emergency patient transportation between health facilities has also increased and a slight reduction in the number of inter facility transfers is noted, these cases have a long turnaround time due to distances between health facilities and districts which places strain on the emergency services and have a negative impact on response times.

Table 42: (EMS1) Situation Analysis Indicators - 2017/18

APP 2017/18: Page 140; Table 43 (EMS 1)													
Quarterly Indicators	**Type**	**Provincial 2017/18**	**Ugu 2017/18**	**uMgungundlovu 2017/18**	**Uthukela 2017/18**	**Umzinyathi 2017/18**	**Amajuba 2017/18**	**Zululand 2017/18**	**Umkhanyakude 2017/18**	**King Cetshwayo 2017/18**	**iLembe 2017/18**	**Harry Gwala 2017/18**	**eThekwini 2017/18**
1. EMS P1 urban response under 15 minutes rate	%	23%	22%	16%	17%	38%	71%	-	-	27%	12%	-	22%
No P1 urban calls with response times under 15 minutes	*No*	*29 325*	*1 645*	*1 604*	*356*	*332*	*2 774*	-	-	*98*	*438*	-	*22 078*
All P1 urban call outs	*No*	*128 265*	*7594*	*9886*	*2066*	*869*	*3899*	-	-	*362*	*3511*	-	*100 078*
2. EMS P1 rural response under 40 minutes rate	%	36%	33%	30%	31%	31%	70%	34%	21%	31%	33%	26%	38%
No P1 rural calls with response times under 40 minutes	*No*	*71 819*	*5 910*	*4 043*	*6 243*	*6 588*	*18 707*	*5 950*	*3 046*	*9 216*	*3 851*	*2 792*	*5 473*
All P1 rural call outs	*No*	*198 197*	*17 946*	*13 531*	*20 316*	*21 116*	*26 753*	*17 690*	*14 268*	*29 825*	*11 842*	*10 687*	*14 223*
3. EMS inter-facility transfer rate	%	39%	40%	43%	32%	18%	26%	34%	74%	44%	36%	13%	42%
EMS inter-facility transfer	*No*	*176 238*	*15 464*	*20 177*	*11 698*	*4 685*	*11 731*	*11 070*	*21 259*	*17 475*	*9 459*	*1 884*	*51 336*
EMS clients total	*No*	*457 656*	*38 774*	*47 033*	*36 605*	*26 310*	*44 975*	*32 363*	*28 749*	*39 372*	*26 183*	*14 192*	*123 100*

Source: EMS database

Table 43: Strategic Objectives, Indicators & Targets

APP 2017/18: Page 141; Table 45 (EMS 2)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2016/17**	**Target 2017/18**	**Actual 2017/18**	**Deviation from Planned 2017/18 Target**	**Comment on Deviation**
Strategic Objective 1.8: Improve EMS efficiencies							
1.8.4) Improve P1 urban response times of under 15 minutes to 20% by March 2020	1. EMS P1 urban response under 15 minutes rate	EMS Register	5.1%	10%	23%	130%	The restriction placed on overtime above 30% of personnel salary has placed strain on operations as staff availability is decreased. The current ambulance fleet is old and requires constant repairs increasing the downtime of available resources.
	EMS P1 urban response under 15 minutes	*EMS Callout Register*	*7 980*	*15 900*	*29 325*		
	EMS P1 urban calls	*EMS Callout Register*	*157 550*	*159 009*	*128 265*		
1.8.5) Improve P1 rural response times of under 40 minutes to 40% by March 2020	2. EMS P1 rural response under 40 minutes rate	EMS Register	34.9%	36%	36.2%	0%	No deviation
	EMS P1 rural response under 40 minutes	*EMS Callout Register*	*65 050*	*73 438*	*71 819*		
	EMS P1 rural calls	*EMS Callout Register*	*186 325*	*203 995*	*198 197*		
1.8.6) Increase the inter-facility transfer rate to 50% by March 2020	3. EMS inter-facility transfer rate	EMS Inter-Facility Register	30.2%	43%	39%	(9.3%)	Emergency and Inter Facility Transfer cases are determined by the demand for the service EMS provides and cannot be predicted with 100% accuracy. 10% increase is for each year.
	EMS inter-facility transfer	EMS Register	*199 869*	*328 764*	*176 238*		
	EMS clients total	EMS Register	*662 742*	*555 266*	*457 656*		
Strategic Objective 1.8: Improve EMS efficiencies							
1.8.1) EMS Turn-Around Strategy approved by June 2017	4. Approved EMS Turn-Around Strategy	Approved EMS Model	Not approved	Approved Turn-Around Strategy	Not approved	(100%)	The EMS turn-around strategy document was developed by EMS and has been submitted for approval. The generic structure is being developed by the

APP 2017/18: Page 141; Table 45 (EMS 2)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2016/17**	**Target 2017/18**	**Actual 2017/18**	**Deviation from Planned 2017/18 Target**	**Comment on Deviation**
							National Department of Health after which it must be approved by the National Health Council before implemented by Provinces
1.8.2) Increase the average number of daily operational ambulances to 220 by March 2020	5. Average number of daily operational ambulances	EMS Daily Operations Reports/ EMS Database	180	190	188	(1.1%)	The restriction placed on overtime above 30% of personnel salary has placed strain on operations as staff availability is decreased. The current ambulance fleet is old and requires constant repairs increasing the downtime of available resources.
1.8.11) Increase number bases with network access to internet to 50 by March 2020	6. Number of bases with access to intranet/ e-mail	ICT Roll-Out Report/IT database	Computer: 50 Intranet: 23	30	23	(23.3%)	IT is currently working on implementing a second private network to all the health facilities and this project will be delivered in the next financial year 2018/19. Total number of EMS bases is 75.

Changes to planned targets

No targets were changed during the reporting period

Strategies to overcome areas of under-performance

Planned Measures to improve response times and standards of service include:

- Improve call taking procedures and caller location identification, 5 districts have already been upgraded to the computerized communications control centre
- Consolidation of communications centres
- More appropriate triage of calls
- 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 better interfacing with Accident and Emergency Units, improved routing of patients (e.g. use of CHC for minor cases) and stricter control over resources by the dispatch
- Improve in-service training programmes relating to clinical skills, equipment use of policies and procedures
- Implement quality assurance programs – inspections, case reviews (M&Ms)
- Manage fleet appropriately

Interventions to improve the quality of care are:

- Ensuring appropriate equipment and consumables are available. This will be done through stricter enforcement of daily checklists of vehicles with regular routine inspections of the service to be done.
- Improving the cleanliness of vehicles
- Implementation of refresher courses for staff
- Implementation of Case Reviews and Continued Professional Development sessions
- Finalising reviewed Standard Operating Procedures.

Linking performance with budget

Table 44: Budget appropriation and expenditure

Programme per sub programme		2017/18							2016/17	
		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	1 186 134	-	13 447	1 199 581	1 199 581	-	100.0%	1 091 726	1 095 019
	Transfers and subsidies	4 258	-	370	4 628	4 628	-	100.0%	3 763	3 763

Programme per sub programme		2017/18							2016/17	
		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	52 000	-	(4 473)	47 527	47 527	-	100.0%	18 971	15 956
	Total	**1 242 392**	**-**	**9 344**	**1 251 736**	**1 251 736**	**-**	**100.0%**	**1 114 460**	**1 114 738**
3.2	**Planned Patient Transport**									
	Current payments	115 668	-	10 093	125 761	125 761	-	100.0%	94 472	94 509
	Transfers and subsidies	445	-	(374)	71	71	-	100.0%	16	16
	Payments for capital assets	9	-	-	9	9	-	100.0%	315	-
	Total	**116 122**	**-**	**9 719**	**125 841**	**125 841**	**-**	**100.0%**	**94 803**	**94 525**

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

Indicators are demand-driven and therefore difficult to predict with 100% accuracy.

Hospital efficiencies are affected by a number of factors which include vacancy rates, financial constraints, health status at the time of admission and compliance to admission burden of disease and discharge policies.

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

All hospitals performed well in the National Core Standards self-assessment.

Regional Hospitals

Table 45: Strategic Objectives, Indicators and Targets

APP 2017/18: Page 150; Table 51 (PHS 1)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2016/17**	**Target 2017/18**	**Actual 2017/18**	**Deviation from Planned 2017/18 Target**	**Comments on Deviation**
Strategic Objective 5.1: Improve compliance to the Ideal Clinic and National Core Standards							
5.1.2) 60% (or more) public health hospitals achieved 75% or more on National Core Standards self-assessment rate by March 2020	1. Hospital achieved 75% and more on National Core Standards self-assessment rate	Assessment records; QA records; DHIS	New indicator	31%	81.8%	163.9. %	Improved follow-up and support for self-assessments. More emphasis will be placed on non-compliant facilities (x2) in the next MTEF
	Hospital achieved 75% and more on National Core Standards self-assessment	Assessment records	-	*4*	*9*		
	National Core Standards self-assessment	NCS Self-Assessment records	-	*13*	*11*		
Strategic Objective 1.7: Improve hospital efficiencies							
1.7.3) Improve hospital efficiencies by reducing the average length of stay to at least 5.5 days (District),5.3 (Regional), 15 days (TB), 286.5 days (Psych), 28.5 days (Chronic), 9 days (Tertiary), and 8.6 days (Central) by March 2020	2. Average length of stay - total	DHIS	6.1 Days	5.8 Days	6.3 Days	(8.6%)	This is a demand driven indicator and difficult to predict with 100% accuracy. The length of stay must be seen in context of the burden of disease, health status at time of admission, compliance with admission and discharge policies as well as circumstances that might impact on compliance with policies e.g. bed availability for up or down referral and effectiveness of referral between facilities. The hospital efficiency study currently being conducted will inform intervention to improve efficiencies.
	Inpatient days-total	*Midnight Census*	*1 650 892*	*1 814 667*	*1 788 569*		
	½ Day Patients	*Admission /Discharge Register*	*46 173*	*51 509*	*56 392*		
	Inpatient Separations total	*Admission, Discharge, Death registers*	*274 589*	*314 887*	*288 483*		

APP 2017/18: Page 150; Table 51 (PHS 1)

Strategic Objective Statement	Performance Indicator	Data Source	Actual 2016/17	Target 2017/18	Actual 2017/18	Deviation from Planned 2017/18 Target	Comments on Deviation
1.7.1) Maintain a bed utilisation rate of 75% (or more) by March 2020	3. Inpatient bed utilisation rate - total	DHIS	72.1%[57]	73.9%	71.7%	(3%)	Demand driven indicator that is difficult to predict with 100% accuracy. Majority of hospitals reported high utilisation rates which indicate efficiencies in spite of severe vacancy rates in clinical services. High vacancy rates for Specialists (26.9%), Medical Practitioners (13.4%) and Professional Nurses (10.1%) raise concerns when comparing workloads. Severe financial constraints (Compensation of Employee budget) limited the number of appointments, which in turn affected workload, staff morale, etc. Actioning the Minimum Staff Establishment is expected to assist with prioritisation of essential/ critical posts to ensure rendering of the package of services in all hospitals
	Inpatient days-total	*Midnight Census*	*1 650 892*	*1 814 667*	*1 788 569*		
	½ Day Patients	*Admission /Discharge Register*	*46 173*	*51 509*	*56 392*		
	Inpatient bed days available	*DHIS*	*2 322 136*[58]	*2 491 987*	*2 535 233*		
1.7.4) Maintain expenditure per PDE within the provincial norms	4. Expenditure per PDE	BAS/ DHIS	R 3 034	R 2 881	R 3 127	(8.5%)	The Department increased delegations to the CEOs to R500 000 for the majority of hospitals with a primary aim of expediting procurement and repairs of medical equipment. This included procurement of specialised medical supplies. Therefore all efforts were directed at addressing the backlog hence the increased spending/payments. Most medical equipment is old and breaks frequently resulting in frequent repairs. The old infrastructure also requires emergency repairs which are costly in areas such as theatres.
	Expenditure total	*BAS*	*7 822 649*	*8 468 660*	*8 469 490*		
	Patient day equivalents	*DHIS*	*2 578 105*	*2 939 647*	*2 708 807*		

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

APP 2017/18: Page 150; Table 51 (PHS 1)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2016/17**	**Target 2017/18**	**Actual 2017/18**	**Deviation from Planned 2017/18 Target**	**Comments on Deviation**
Strategic Objective 5.1: Improve compliance to the Ideal Clinic and National Core Standards							
5.1.6) Sustain a complaint resolution rate of 95% (or more) in all public health facilities from March 2020 onwards	5. Complaint resolution rate	DHIS	75.3%	82%	82.9%	1.1%	Quality assurance and office of Ombudsman conducted roadshows and provide onsite institutional support on complaints management
	Complaint resolved	*Complaints Register*	*1 029*	*1 084*	*1 420*		
	Complaint received	*Complaints Register*	*1 367*	*1 322*	*1 712*		
5.1.7) Sustain a 95% (or more) complaint resolution within 25 working days rate in all public health facilities by March 2020 onwards	6. Complaint resolution within 25 working days rate	DHIS	94.3%	98%	94.2%	(3.9%)	Most complaints relate to clinical care which requires intensive clinical investigation by senior clinical staff, which will normally take more than 25 days
	Complaint resolved within 25 working days	*Complaints Register*	*970*	*1 062*	*1 337*		
	Complaint resolved	*Complaints Register*	*1 029*	*1 084*	*1 420*		
Strategic Objective 2.7: Reduce maternal mortality							
2.7.2) Reduce the caesarean section rate to 26% (District), 37% (Regional), 60% (Tertiary), and 67% or less (Central) by March 2020	7. Delivery by caesarean section rate	DHIS	41.2%	41%	40.4%	1.5%	This is a demand driven indicator strongly influenced by the burden of disease and clinical protocols and guidelines for the management of high risk deliveries. It is therefore not possible to predict with 100% accuracy. The high number of teenage pregnancies (32 502 in 2017/18) and high HIV prevalence (44.4% pregnant women) contributes to the number of caesarean sections done.
	Delivery by caesarean section	*Theatre& Delivery Register*	*26 260*	*30 339*	*28 695*		
	Delivery in facility total	*Delivery Register*	*63 791*	*73 998*	*70 955*		
Strategic Objective 1.7: Improve hospital efficiencies							
1.7.5) Reduce the unreferred outpatient department (OPD)	8. OPD headcount - total	DHIS/ OPD Tick Register	2 367 033	2 119 488	2 331 309	10%	This is a demand driven indicator and therefore not possible to predict with 100% accuracy. More patients are being managed at outpatient

APP 2017/18: Page 150; Table 51 (PHS 1)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2016/17**	**Target 2017/18**	**Actual 2017/18**	**Deviation from Planned 2017/18 Target**	**Comments on Deviation**
headcounts with at least 7% per annum							levels (in line with service delivery model)
	9. OPD headcount new case not referred	DHIS/ OPD Tick Register	171 162	158 276	221 192	(40%)	This is a demand driven indicator and therefore not possible to predict with 100% accuracy. The geographic distribution of facilities as well as opening times limits access to PHC facilities in some areas. This inevitably result in patients accessing the closest and most easily accessible facility – entering the health system at an inappropriate level

Specialised Tuberculosis Hospitals

Table 46: Strategic Objectives, Indicators and Targets

APP 2017/18: Page 155; Table 53 (PHS 3a)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2016/17**	**Target 2017/18**	**Actual 2017/18**	**Deviation from Planned 2017/18 Target**	**Comments on Deviation**
Strategic Objective 5.1: Improve compliance to the Ideal Clinic and National Core Standards							
5.1.2) 60% (or more) public health hospitals achieved 75% or more on National Core Standards self-assessment rate by March 2020	1. Hospital achieved 75% and more on National Core Standards self-assessment rate	DHIS	New indicator	20%	71.4%	257%	Emphasis placed on self-assessments to allow for self-improvement programmes. Focus remain on hospitals not conducting self-assessments (x3)
	Hospital achieved 75% and more on National Core Standards self-assessment	*Assessment records*	-	*4*	*5*		
	Hospitals conducted National Core Standards self-assessment	*Assessment Records*	-	*10*	*7*		
5.1.6) Sustain a complaint resolution rate of 95% (or more) in all public health facilities from March 2020 onwards	2. Complaints resolution rate	DHIS	75.3%	60%	93.3%	56%	Patients are encouraged to lodge their complaints whilst they are in hospital - Patient admissions procedure includes the provision of complaints procedure.
	Complaint resolved	*Complaints Register*	*62*	*269*	*97*		
	Complaint received	*Complaints Register*	*86*	*448*	*104*		
5.1.7) Sustain a 95% (or more) complaint resolution within 25 working days rate in all public health facilities by March 2020 onwards	3. Complaint resolution within 25 working days rate	DHIS	94.3%	95%	100%	5.3%	Compliance with complaints guidelines.
	Complaint resolved within 25 working days	*Complaints Register*	*60*	*256*	*97*		
	Complaint resolved	*Complaints Register*	*62*	*269*	*97*		
Strategic Objective 1.7: Improve hospital efficiencies							
1.7.3) Improve hospital	4. Average length of stay – total	DHIS	48.4 days	17.4 Days	48 Days	(176%)	This is a demand driven indicator and therefore

APP 2017/18: Page 155; Table 53 (PHS 3a)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2016/17**	**Target 2017/18**	**Actual 2017/18**	**Deviation from Planned 2017/18 Target**	**Comments on Deviation**
efficiencies by reducing the average length of stay to at least 5.5 days (District) 5.3Regional), 15 days (TB), 286.5 days (Psych), 25.8 days (Chronic), 9 days (Tertiary), and 8.6 days (Central) by March 2020	*Inpatient days-total*	*Midnight Census*	*159 750*	*329 986*	*135 359*		difficult to predict with accuracy. MDR-TB hospitalisation norm is 8 weeks at minimum depending on the clinical condition of the patient. The length of stay must be seen in context of the burden of disease, health status at time of admission, compliance with admission and discharge policies as well as circumstances that might impact on compliance with policies e.g. bed availability for up or down referral and effectiveness of referral between facilities. The hospital efficiency study currently being conducted will inform intervention to improve efficiencies.
	½ Day Patients	*Admission and Discharge Register*	*550*	*700*	*94*		
	Inpatient separations total	*DHIS*	*3 306*	*19 001*	*2 822*		
1.7.1) Maintain a bed utilisation rate of 75% (or more) by March 2020	5. Inpatient bed utilisation rate – total	DHIS	42.6%[59]	57.9%	43.7%	(25%)	Changes in treatment regimens and requirements for inpatient stay influenced utilisation at Specialised Hospitals. The Hospital Rationalisation Plan focus is on rationalisation of existing resources and equitable distribution to improve value for money and improved access and quality. Process commenced to rationalise previous SANTA Hospitals following due process. This process will continue in the next MTEF
	Inpatient days-total	*Midnight Census*	*159 570*	*329 986*	*135 359*		
	½ Day Patients	*Admission /Discharge Register*	*550*	*700*	*94*		
	Inpatient bed days available	*Admission /Discharge Register*	*374 490*[60]	*571 006*	*309 736*		
1.7.4) Maintain expenditure per PDE	6. Expenditure per PDE	BAS/ DHIS	R 4 742	R 2 228	R 4 750	(113.2%)	In view of the changes in TB Management regimen and decentralisation of MDR TB
	Total expenditure TB Hospitals	*BAS*	*776 902*	*812 781*	*788 127*		

[59] Manually calculated due to challenges with the transition from DHIS 1.4 to Web-Based DHIS - DHIS reflects 67.7%
[60] Manually calculated due to challenges with the transition from DHIS 1.4 to Web-Based DHIS

APP 2017/18: Page 155; Table 53 (PHS 3a)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2016/17**	**Target 2017/18**	**Actual 2017/18**	**Deviation from Planned 2017/18 Target**	**Comments on Deviation**
within the provincial norms	*Patient day equivalents*	*DHIS*	*163 828*[61]	*364 854*	*165 929*		patients, the specialised TB hospitals have diversified the service by introducing Outpatient Departments for TB patients and nearby communities which manage patients comprehensively including managing other chronic illnesses.
1.7.5) Reduce the unreferred OPD headcounts with at least 7% per annum	7. OPD headcount – total	DHIS/ OPD tick Register	94 969	219 108	91 324	58.3%	Demand driven indicator that is difficult to interpret with 100% accuracy. Access to TB outpatients is more widely available outside specialised hospitals to improve access. Patients seen at Specialised Hospitals are mostly DR-TB cases.
	8. OPD headcount new case not referred	DHIS/ OPD tick Register	9 136[62]	26 499	6 841	74.2%	Improved access to TB services at PHC level – including community-based services and screening.

[61] State-Aided patient activity excluded
[62] This is influenced by the 2 State-Aided Hospitals that function similar to District Hospitals

Specialised Psychiatric Hospitals

Table 47: Strategic Objectives, Indicators and Targets

APP 2017/18: Page 160; Table 55 (PHS 3b)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2016/17**	**Target 2017/18**	**Actual 2017/18**	**Deviation from Planned 2017/18 Target**	**Comment on Deviation**
Strategic Objective 5.1: Improve compliance to the Ideal Clinic and National Core Standards							
5.1.2) 60% (or more) public health hospitals achieved 75% or more on National Core Standards self-assessment rate by March 2020	1. Hospital achieved 75% and more on National Core Standards self-assessment rate	DHIS	New indicator	17%	100%	488.2%	More focus on self-assessment on National Core Standards to inform improvement programmes towards compliance. Focus remained on facilities not conducting self-assessment (x2)
	Hospital achieved 75% and more on National Core Standards self-assessment	Assessment records	-	1	4		
	Hospitals conducted National Core Standards self-assessment	Assessment records	-	6	4		
5.1.6) Sustain a complaint resolution rate of 95% (or more) in all public health facilities from March 2020 onwards	2. Complaints resolution rate	DHIS	98.2%	95%	43.6%	(54.1%)	Most complaints are lodged by relatives and relate to food portions which are compliant with the prescribed dietary requirements. The complaint mechanism in these hospitals will be reviewed as part of the Quality Improvement Programme in the next MTEF
	Complaint resolved	*Complaints Register*	*55*	*62*	*58*		
	Complaint received	*Complaints Register*	*56*	*65*	*133*		
5.1.7) Sustain a 95% (or more) complaint resolution within 25 working days rate in all public health facilities by March 2020 onwards	3. Complaint resolution within 25 working days rate	DHIS	100%	85.5%	103.4%	21%	Resolved cases within 25 days includes cases reported outside reporting period however resolved within 25 days of reporting
	Complaint resolved within 25 days	*Complaints Register*	*55*	*53*	*60*		
	Complaint resolved	*Complaints Register*	*55*	*62*	*58*		
Strategic Objective 1.7: Improve hospital efficiencies							

APP 2017/18: Page 160; Table 55 (PHS 3b)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2016/17**	**Target 2017/18**	**Actual 2017/18**	**Deviation from Planned 2017/18 Target**	**Comment on Deviation**
1.7.3) Improve hospital efficiencies by reducing the average length of stay to at least 5.5 days (District) 5.3days (Regional), 15 days (TB), 286.5 days (Psych), 25.8 days (Chronic), 9 days (Tertiary), and 8.6 days (Central) by March 2020	4. Average length of stay – total	DHIS	291.1 Days	290.9 Days	318.6 Days	9.5%	This is a demand driven indicator and difficult to predict with 100% accuracy. The length of stay must be seen in context of the burden of disease, health status at time of admission, compliance with admission and discharge policies as well as circumstances that might impact on compliance with policies e.g. bed availability for up or down referral and effectiveness of referral between facilities. The large number of chronic/ long term beds in the Province skew interpretation of data. The hospital efficiency study currently being conducted will inform intervention to improve efficiencies.
	Inpatient days-total	*Midnight Census*	*638 302*	*625 226*	634 039		
	½ Day Patients	*Admission/ Discharge Register*	*15*	*0*	*9*		
	Inpatient separations total	*Admission/ Discharge Register*	2 206	2 149	*1 990*		
1.7.1) Maintain a bed utilisation rate of 75% (or more) by March 2020	5. Inpatient bed utilisation rate – total	DHIS	71.2%[63]	71.1%	72.1%	1.4%	High number of state patients increased demand for forensic beds
	Inpatient days-total	*Midnight Census*	*638 302*	*625 226*	634 039		
	½ Day Patients	*Admission/ Discharge Register*	*15*	*0*	*9*		
	Inpatient bed days available	*Admission/ Discharge Register*	*895 710*[64]	*879 680*	*879 077*		
1.7.4) Maintain	6. Expenditure per PDE	BAS/ DHIS	R1 284	R 1 409	R 1 341	4.8%	Decrease in patient activity which could be

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

APP 2017/18: Page 160; Table 55 (PHS 3b)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2016/17**	**Target 2017/18**	**Actual 2017/18**	**Deviation from Planned 2017/18 Target**	**Comment on Deviation**
expenditure per PDE within the provincial norms	*Total expenditure Psychiatric Hospitals*	*BAS*	*825 338*	*891 958*	*862 646*		as a result of strengthened mental health services at community and PHC level.
	Patient day equivalents	*DHIS*	*642 871*	*633 019*	*638 330*		
Strategic Objective 1.7: Improve hospital efficiencies							
1.7.5) Reduce the unreferred OPD headcounts with at least 7% per annum	7. OPD headcount – total	DHIS/ OPD tick Register	11 596	16 058	11 739	27%	Strengthening mental health services at community and PHC level reducing the number of patients seen at Level 2 and 3 hospitals
	8. OPD headcount new case not referred	DHIS/ OPD tick Register	1 037[65]	1 397	694	50%	The reduction is a positive trend which might be an indication of improved access to care

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

Chronic/ Sub-Acute Hospitals

Table 48: Strategic Objectives, Indicators and Targets

APP 2017/18: Page 164; Table 57 (PHS 3c)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2016/17**	**Target 2017/18**	**Actual 2017/18**	**Deviation from Planned 2017/18 Target**	**Comment on Deviation**
Strategic Objective 5.1: Improve compliance to the Ideal Clinic and National Core Standards							
5.1.2) 60% (or more) public health hospitals compliant with extreme and vital measures of the national core standards by March 2020	1. Hospital achieved 75% and more on National Core Standards self-assessment rate	DHIS/QA database	New indicator	50%	100%	100%	Focus remained on hospital that did not conduct a self-assessment to inform improvement programmes.
	Hospital achieved 75% and more on National Core Standards self-assessment	*Assessment Records*	-	*1*	*1*		
	Hospitals conducted National Core Standards self-assessment	*Assessment Records*	-	*2*	*1*		
5.1.6) Sustain a complaint resolution rate of 95% (or more) in all public health facilities from March 2020 onwards	2. Complaints resolution rate	DHIS	100%	96%	91.8%	(4.4%)	Unresolved complaints relate to clinical care and investigation, which takes time to conclude.
	Complaint resolved	*Complaints Register*	*50*	*94*	*45*		
	Complaint received	*Complaints Register*	*50*	*98*	*49*		
5.1.7) Sustain a 95% (or more) complaint resolution within 25 working days rate in all public health facilities by March 2020 onwards	*3.* Complaint resolution within 25 working days rate	DHIS	100%	100%	97.8%	(2.3%)	Time consuming clinical investigations that cannot be concluded within 25 days.
	Complaint resolved within 25 days	*Complaints Register*	*50*	*94*	*44*		
	Complaint resolved	*Complaints Register*	*50*	*94*	*45*		
Strategic Objective 1.7: Improve hospital efficiencies							
1.7.3) Improve hospital	4. Average length of stay – total	DHIS	32.3 Days	35 Days	39.1 Days	11.7%	This is a demand driven indicator and

APP 2017/18: Page 164; Table 57 (PHS 3c)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2016/17**	**Target 2017/18**	**Actual 2017/18**	**Deviation from Planned 2017/18 Target**	**Comment on Deviation**
efficiencies by reducing the average length of stay to at least 5.5 days (District) 5.3 (Regional), 15 days (TB), 286.5 days (Psych), 28.5 days (Chronic), 9 days (Tertiary), and 8.6 days (Central) by March 2020	*Inpatient days-total*	*Midnight Census*	*99 887*	*104 714*	*90 296*		difficult to predict with 100% accuracy. Hillcrest Hospital admits only long term patients with a very slow bed turn-over, which skew average length of stay for the two hospitals The hospital efficiency study currently being conducted will inform intervention to improve efficiencies.
	½ Day Patients	*Admission/ Discharge Register*	*9*	*0*	*0*		
	Inpatient separations total	*Admission/ Discharge Register*	*3 089*	*2 955*	*2 312*		
1.7.1) Maintain a bed utilisation rate of 75% (or more) by March 2020	5. Inpatient bed utilisation rate – total	DHIS	52.1%	58.3%	46.8%	(19.7%)	Clairwood Hospital was badly affected by storm damage resulting in closing down a number of beds in wards that must be repaired.
	Inpatient days-total	*Midnight Census*	*99 887*	*104 714*	*90 296*		
	½ Day Patients	*Admission/ Discharge Register*	*9*	*0*	*0*		
	Inpatient bed days available	*Admission/ Discharge Register*	*191 625*	*179 633*	*192 802*		
1.7.4) Maintain expenditure per PDE within the provincial norms	6. Expenditure per PDE	BAS/DHIS	R 2 548	R 2 638	R 2 940	(11.4%)	Number of usable beds was reduced due to storm damage, resulting in low PDE.
	Total expenditure – Chronic Hospitals	*BAS*	*378 575*	*417 707*	*381 700*		
	Patient day equivalent	*DHIS calculates*	*148 588*	*158 367*	*129 841*		
Strategic Objective 1.7: Improve hospital efficiencies							
1.7.5) Reduce the unreferred OPD headcounts with at least 7% per annum	7. OPD headcount – total	DHIS/OPD tick register	145 949	147 241	118 636	19.4%	Patients are down referred to PHC for follow up care and registered on the CCMDD Programme for collection of medication at community level

APP 2017/18: Page 164; Table 57 (PHS 3c)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2016/17**	**Target 2017/18**	**Actual 2017/18**	**Deviation from Planned 2017/18 Target**	**Comment on Deviation**
	8. OPD headcount new cases not referred	DHIS/OPD tick register	48 667[66]	49 028	40 370	17.7%	Lower than expected headcount as Clairwood Hospital provides Gateway services

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

Oral and Dental Training Centre

Table 49: Strategic Objectives, Indicators and Targets

APP 2017/18: Page 167; Table 59 (PHS 3c)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2016/17**	**Target 2017/18**	**Actual 2017/18**	**Deviation from Planned 2017/18 Target**	**Comment on Deviation**
Strategic Objective 5.1: Improve compliance to the Ideal Clinic and National Core Standards							
4.1.12) Provision of dental prosthesis and training platform	1. Number of dentures issued per annum	Dental Register	Not collected	250	163	(34.8%)	Services points limited to IALCH and King Dinuzulu Oral Dental Training Hospital
	2. Number of Oral Hygienist and Dental Therapists trained per annum	Training Register	Not collected	35	30	(14.3%)	Dependent on the number of students passing 2nd year studies.

Changes to planned targets

No change in targets during the reporting year.

Strategies to overcome areas of under-performance

Expenditure per PDE:

- Strengthen the effectiveness of Cashflow committees to monitor expenditure trends on the cost-drivers
- Implementation of cost-containment measures

Average Length of Stay:

- Ongoing inservice education in clinical guidelines
- Decentralization of MDR-TB management

OPD headcount

- Reclassification of hospitals such as King Dinuzulu

Complaints resolution

- Strengthen the implementation of complaints management policy

Linking performance with budget

Table 50: Budget appropriation and expenditure

Programme per sub programme		2017/18							2016/17	
		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	8 217 196	-	(1 545)	8 215 651	8 208 276	7 375	99.9%	7 744 350	7 663 795
	Transfers and subsidies	198 897	-	54 942	253 839	261 214	(7 375)	102.9%	51 695	152 445
	Payments for capital assets	110 000	-	992	110 992	110 992	-	100.0%	47 817	6 409
	Payment for financial assets	-	-	(25)	(25)	(25)	-	100.0%	-	-
	Total	**8 526 093**	**-**	**54 364**	**8 580 457**	**8 580 457**	**-**	**100.0%**	**7 843 862**	**7 822 649**
4.2	**Tuberculosis Hospitals**									
	Current payments	766 932	-	(17 605)	749 327	756 703	(7 376)	101.0%	714 749	742 458
	Transfers and subsidies	37 517	-	1 284	38 801	31 425	7 376	81.0%	34 046	34 046
	Payments for capital assets	2 868	-	(1 507)	1 361	1 361	-	100.0%	2 000	398
	Total	**807 317**	**-**	**(17 828)**	**789 489**	**789 489**	**-**	**100.0%**	750 795	776 902
4.3	**Psychiatric / Mental Hospitals**									
	Current payments	869 808	-	(10 354)	859 454	859 454	-	100.0%	816 500	819 574
	Transfers and subsidies	2 424	-	768	3 192	3 192	-	100.0%	4 112	4 112
	Payments for capital assets	3 000	-	32	3 032	3 032	-	100.0%	4 200	1 652

Programme per sub programme		2017/18							2016/17	
		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	**875 232**	**-**	**(9 554)**	**865 678**	**865 678**	**-**	**100.0%**	**824 812**	**825 338**
4.4	**Chronic Medical Hospitals**									
	Current payments	391 556	-	(11 738)	379 818	379 818	-	100.0%	375 456	376 032
	Transfers and subsidies	1 301	-	581	1 882	1 882	-	100.0%	2 228	2 347
	Payments for capital assets	-	-	1 921	1 921	1 921	-	100.0%	2 000	196
	Total	**392 857**	**-**	**(9 236)**	**383 621**	**383 621**	**-**	**100.0%**	**379 684**	**378 575**
4.5	**Dental Training Hospitals**									
	Current payments	21 257	-	(1 394)	19 863	19 863	-	100.0%	19 568	19 369
	Transfers and subsidies	-	-	103	103	103	-	100.0%	82	82
	Total	**21 257**	**-**	**(1 291)**	**19 966**	**19 966**	**-**	**100.0%**	**19 650**	**19 451**

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

Indicators are demand-driven and therefore difficult to predict with 100% accuracy.

Hospital efficiencies should be seen in context of factors which include vacancy rates, financial constraints, health status at the time of admission and compliance to admission burden of disease and discharge policies.

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

All hospitals performed well in the National Core Standards self-assessment.

Tertiary Hospitals

Table 51: Strategic Objectives, Indicators and Targets – Greys, King Edward VIII, Ngwelezana Hospitals

APP 2017/18: Page 176; Table 65 (C&THS 1)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2016/17**	**Target 2017/18**	**Actual 2017/18**	**Deviation from Planned 2017/18 Target**	**Comments on Deviation**
Strategic Objective 5.1: Improve compliance to the Ideal Clinic and National Core Standards							
5.1.2) 60% (or more) public health hospitals achieved 75% or more on National Core Standards self-assessment rate by March 2020	1. Hospital achieved 75% and more on National Core Standards self-assessment rate	DHIS	New indicator	33%	100%	203%	The revised strategy for planning and monitoring of district NCS assessment schedules improved performance
	Hospital achieved 75% and more on National Core Standards self-assessment	Assessment records	-	1	2		
	Hospitals conducted National Core Standards self-assessment	Assessment records	-	3	2		
Strategic Objective 1.7: Improve hospital efficiencies							
1.7.3) Improve hospital efficiencies by reducing the average length of stay to at least 5.5 days (District) 5.3 (Regional), 15 days (TB), 286.5 days (Psych), 28.5 days (Chronic), 9 days (Tertiary), and 8.6 days (Central) by March 2020	2. Average length of stay - total	DHIS	7.7 Days	9.4 Days	7.5 Days	20.2%	This is a demand driven indicator and difficult to estimate with 100% accuracy. Improved compliance with admission and discharge policy, improved clinical management and down referral of patients. Improved availability and functionality of investigative medical equipment such as CT Scanners, X Ray Machines, etc. reduce inpatient stay.
	Inpatient days-total	*Midnight Census*	*454 218*	*270 215*	*405 478*		
	½ Day Patients	*Admission/ Discharge Register*	*20 037*	*13 310*	*18 258*		
	Inpatient separations total	*Admission/ Discharge Register*	*60 670*	*29 452*	*55 144*		
1.7.1) Maintain a bed utilisation rate of 75% (or more) by March	3. Inpatient bed utilisation rate - total	DHIS	71.6%[67]	80.2%	67.8%	(15.5%)	Storm damage rendered most theatres in King Edward VIII Hospital non-functional and some surgical wards were closed in Quarter 3 and 4
	Inpatient days-total	*Midnight Census*	*454 218*	*270 215*	*405 478*		

[67] This indicator has been calculated manually due to challenges with the transition from DHIS 1.4 to the Web Based DHIS

APP 2017/18: Page 176; Table 65 (C&THS 1)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2016/17**	**Target 2017/18**	**Actual 2017/18**	**Deviation from Planned 2017/18 Target**	**Comments on Deviation**
2020	*½ Day Patients*	*Admission/ Discharge Register*	*20 037*	*13 310*	*18 258*		for repairs. High vacancy rates of especially Specialists, Medical Officers and Clinical/ Professional Nurses affects patient footprint. Inability to fill vacant posts as a result of financial constraints put pressure on admission of patients – high vacancy and concomitant workload might impact on quality of care
	Inpatient bed days available	*Admission/ Discharge Register*	*648 240*[68]	*345 145*	*611 716*		
1.7.4) Maintain expenditure per PDE within the provincial norms	4. Expenditure per PDE	BAS/ DHIS	R 3 696	R 3 769	R 4 038	(7.1%)	Repairs due to storm damage. The department increased delegations to the CEOs to R500 000 for the majority of hospitals with a primary aim of expediting procurement and repairs of medical equipment. This included procurement of specialised medical supplies. Therefore all efforts were directed at addressing the backlog hence the increased spending/payments. Most medical equipment is old and breaks resulting in frequent repairs. The old infrastructure also requires emergency repairs which are costly in areas such as theatres.
	Expenditure – Total Tertiary Hospital	*BAS*	*2 274 553*	*2 340 390*	*2 320 096*		
	Patient day equivalents	*DHIS*	*615 317*	*620 876*	*574 551*		
Strategic Objective 5.1: Improve compliance to the ideal Clinic and National Core Standards							
5.1.6) Sustain a complaint resolution rate of 95% (or more) in all public health facilities from March 2020 onwards	5. Complaint resolution rate	DHIS	69.4%	85%	75.4%	(11.3%)	Some complaints are difficult to resolve for example infrastructure. Ongoing strengthening of complaints management and oversight as part of the Quality Programme at facility level (National Core Standards)
	Complaint resolved	*Complaints Register*	*168*	*258*	*208*		
	Complaint received	*Complaints Register*	*242*	*304*	*276*		
5.1.7) Sustain a 95% (or more) complaint	6. Complaint resolution within 25 working days rate	DHIS	97.6%	96%	94.2%	(1.9%)	Complaints relating to clinical care require intensive and sometimes prolonged time to

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

APP 2017/18: Page 176; Table 65 (C&THS 1)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2016/17**	**Target 2017/18**	**Actual 2017/18**	**Deviation from Planned 2017/18 Target**	**Comments on Deviation**
resolution within 25 working days rate in all public health facilities by March 2020 and onwards	*Complaint resolved within 25 working days*	*Complaints Register*	*164*	*248*	*196*		complete investigation.
	Complaint resolved	*Complaints Register*	*168*	*258*	*208*		
Strategic Objective 2.7: Reduce maternal mortality							
2.7.2) Reduce the caesarean section rate to 25% (District), 37% (Regional), 60% (Tertiary), and 67% or less (Central) by March 2020	7. Delivery by caesarean section rate	DHIS	50.5%	71%	50.3%	29.2%	Demand driven indicator that is difficult to estimate with 100% accuracy. Caesarean section sections performed at Tertiary and Central Hospitals are clinically indicated
	Delivery by caesarean section	*Theatre Register*	*3 611*	*869*	*3 481*		
	Delivery in facility total	*Delivery Register*	*7 152*	*1 221*	*6 924*		
Strategic Objective 1.7: Improve hospital efficiencies							
1.7.5) Reduce the unreferred OPD headcounts with at least 7% per annum	8. OPD headcount – total	DHIS/ OPD Tick Register	390 325	261 768	418 777	60%	Ngwelezana Hospital renders district, regional and tertiary services in the absence of District & Regional Hospitals in the catchment area.
	9. OPD headcount new cases not referred	DHIS/ OPD Tick Register	31 151	19 424	35 707	(83.8%)	Patients access services at Ngwelezana and King Edward VIII Hospital mainly after hours due to poor access to 24hr PHC services

Central Hospitals

Table 52: Strategic Objectives, Indicators and Targets – Inkosi Albert Luthuli Central Hospital

APP 2017/18: Page 181; Table 67 (C&THS 3)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2016/17**	**Target 2017/18**	**Actual 2017/18**	**Deviation from Planned 2017/18 Target**	**Comments on Deviation**
Strategic Objective 5.1: Improve compliance to the Ideal Clinic and National Core Standards							
5.1.2) 60% (or more) public health hospitals achieved 75% or more on National Core Standards self-assessment rate by March 2020	1. Hospital achieved 75% and more on National Core Standards self-assessment rate	DHIS	New indicator	100%	100%	0%	No deviation
	Hospital achieved 75% and more on National Core Standards self-assessment	*Assessment records*	-	*1*	*1*		
	Hospitals conducted National Core Standards self-assessment	*Assessment records*	-	*1*	*1*		
Strategic Objective 1.7: Improve hospital efficiencies							
1.7.3) Improve hospital efficiencies by reducing the average length of stay to at least 5.5 days (District), 5.3 (Regional), 15 days (TB), 286.5 days (Psych), 28.5 days (Chronic), 9 days (Tertiary), and 8.6 days (Central) by March 2020	2. Average length of stay - total	DHIS	8.7 Days	8.6 Days	8.4 Days	2.3%	Considered within acceptable deviation range. Demand driven indicator therefore difficult to predict with 100% accuracy. Compliance with admission and referral criteria
	Inpatient days-total	*Midnight Census*	*204 871*	*203 279*	201 761		
	½ Day Patients	*Admission/ Discharge Register*	*1 651*	*1 549*	*1 542*		
	Inpatient separations	*Admission/ Discharge Register*	*23 515*	*23 598*	*24 002*		
1.7.1) Maintain a bed utilisation rate of 75% (or more) by March	3. Inpatient bed utilisation rate - total	DHIS	66.6%	69.5%	65.6%	(6%)	Significant gaps in essential staffing specifically referring to Specialists, Medical Officers and Professional Nurses, which impact on
	Inpatient days-total	*Midnight Census*	*204 871*	*203 279*	201 761		

APP 2017/18: Page 181; Table 67 (C&THS 3)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2016/17**	**Target 2017/18**	**Actual 2017/18**	**Deviation from Planned 2017/18 Target**	**Comments on Deviation**
2020	*½ Day Patients*	*Admission/ Discharge Register*	*1 651*	*1 549*	*1 542*		admissions.
	Inpatient bed days available	*DHIS*	*308 790*	*293 221*	*308 824*		
1.7.4) Maintain expenditure per PDE within the provincial norms	4. Expenditure per PDE	BAS/ DHIS	R 8 323	R 8 185	R 9 354	(14.3%)	Increase in prices of surgical sundries and medicines supplies
	Total expenditure Central Hospital	*BAS*	*2 259 604*	*2 241 188*	*2 466 385*		
	Patient day equivalents	*DHIS*	*271 479*	*273 801*	*263 660*		
Strategic Objective 5.1: Improve compliance to the Ideal Clinic and National Core Standards							
5.1.6) Sustain a complaint resolution rate of 95% (or more) in all public health facilities from March 2018 onwards	5. Complaint resolution rate	DHIS	99.2%	98%	100%	2%	Compliance with complaints management protocols and SOPs
	Complaint resolved	*Complaints Register*	*126*	*176*	*145*		
	Complaint received	*Complaints Register*	*127*	*180*	*145*		
5.1.7) Sustain a 95% (or more) complaint resolution within 25 working days rate in all public health facilities by March 2018 and onwards	6. Complaint resolution within 25 working days rate	DHIS	87.3%	100%	93%	(7%)	Complaints relating to clinical care require extended time for investigation.
	Complaint resolved within 25 working days	*Complaints Register*	*110*	*176*	*135*		
	Complaint resolved	*Complaints Register*	*126*	*176*	*145*		
Strategic Objective 2.7: Reduce maternal mortality							
2.7.2) Reduce the caesarean section rate to 25% (District), 37% (Regional), 60% (Tertiary), and 67% (Central) by March	7. Delivery by caesarean section rate	DHIS	78.5%	68%	77%	13.2%	Demand driven indicator that is difficult to predict with 100% accuracy. Most referrals are high-risk pregnancies/ deliveries where caesarean section will be prescribed as per protocol
	Delivery by caesarean section	*Theatre Register*	*300*	*286*	*341*		
	Delivery in facility total	*Delivery Register*	*382*	*421*	*441*		

APP 2017/18: Page 181; Table 67 (C&THS 3)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2016/17**	**Target 2017/18**	**Actual 2017/18**	**Deviation from Planned 2017/18 Target**	**Comments on Deviation**
2020							
Strategic Objective 1.7: Improve hospital efficiencies							
1.7.6) Appropriate referral as per referral criteria	8. OPD headcount – total	DHIS/ OPD Tick Register	192 511	196 521	178 721	(9.1%)	Demand driven indicator that is difficult to predict with 100% accuracy Down referral to lower levels of care, as well as availability of appropriate staff influence patient footprint

Changes to planned targets

No official change of targets in the reporting year.

Strategies to overcome areas of under-performance

Expenditure per PDE:

- All payments should be processed at the correct level, e.g. NHLS payments should be processed at the Head Office and not at the institutions

OPD headcount

- Strengthening of outreach services

Linking performance with budget

Table 53: Budget appropriation and expenditure

Programme per sub programme		2017/18							2016/17	
		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	2 259 165	-	203 403	2 462 568	2 462 568	-	100.0%	2 342 981	2 248 665
	Transfers and subsidies	4 023	-	(206)	3 817	3 817	-	100.0%	4 079	8 939
	Payments for capital assets	-	-	-	-	-	-	-	2 000	2 000
	Total	**2 263 188**	**-**	**203 197**	**2 466 385**	**2 466 385**	**-**	**100.0%**	**2 349 060**	**2 259 604**
5.2	**Provincial Tertiary Hospitals Services**									
	Current payments	2 311 151	-	(18 884)	2 292 267	2 292 267	-	100.0%	2 156 524	2 223 752
	Transfers and subsidies	7 673	-	225	7 898	27 829	(19 931)	352.4%	17 172	39 594
	Payments for capital assets	99 566	-	(1 993)	97 573	77 642	19 931	79.6%	11 401	11 207
	Total	**2 418 390**	**-**	**(20 652)**	**2 397 738**	**2 397 738**	**-**	**100.0%**	**2 185 097**	**2 274 553**

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

A successful Annual Nurses Graduation Ceremony was held over 2 days (12 and 13 October 2017). A total of 1 416 nurses graduated. Amongst these nurses there were specialist nurses comprising of the following disciplines:

- 16 Ophthalmic Nurses
- 53 Critical Care
- 29 Orthopaedics
- 44 Operating Theatre
- 47 Child Health
- 59 Advanced Midwives And Neonatal Nurses
- 61 Primary Health Care
- 52 Psychiatric Nurses
- 167 Basic Midwives

Eighty one (81) Advanced Midwifery students were taken for training as opposed to a target of 60. This was made possible by adding an intake at the Ngwelezana Nursing Campus.

A total of 406 Professional Nurses graduated from the 4-year Diploma programme and 163 from the two-year Bridging programme. A total of 453 Professional Nurses commenced Community Service in January 2018. A total of 230 Professional Nurses completed Community Service in December 2017.

SO 4.3) Accreditation of KZNCN as Institution of Higher Learning

The process for the accreditation of KZN College of Nursing as a Higher Education Institution is ongoing and is dependent on the progress by the accrediting bodies, namely the South African Nursing Council and the Council for Higher Education. There are constant engagements between the relevant bodies to ensure the process progresses.

The College of Emergency Care (COEC) offers the Intermediate Life Support which is accredited by the Health Professions Council of South Africa (HPCSA). It also offers programmes specific to the EMS environment including Rescue, Driver Training, Emergency Service Management, Emergency Medical Dispatch and Aviation Health Care Provider Training. The COEC is currently preparing towards migration of the National Emergency Care Education and Training (NECET) policy to offer the Emergency Care Assistant (ECA) and Emergency Care Technician (ECT).

Table 54: Strategic Objectives, Indicators and Targets

APP 2017/18: Page 191; Table 73 (HST 1)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2016/17**	**Target 2017/18**	**Actual 2017/18**	**Deviation from Planned 2017/18 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	16	30	8	(73.3%)	Reduced the number of bursaries due to financial constraints and re-prioritisation
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	108	225	199	(11.6%)	Reduced the number of bursaries due to financial constraints and re-prioritisation Financial commitment to train students from Mpumalanga as part of the interprovincial agreement further jeopardised the allocation of bursaries for nursing students
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 accredited	Yes	Not accredited	(100%)	The process is ongoing and is dependent on the progress by the accrediting bodies, namely South African Nursing Council (SANC) and The Council for Higher Education (CHE).
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	54	30	81	170%	Added an additional intake of students at the Ngwelezana Campus (not previously included)
4.1.8) Increase the number of MOP's who successfully completed the degree course at DUT to 90 (cumulative)	5. Number of MOPs that successfully completed the degree course at DUT	Training Report/ DUT Student Records	0	37	36	(2.7%)	One student failed.

APP 2017/18: Page 191; Table 73 (HST 1)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2016/17**	**Target 2017/18**	**Actual 2017/18**	**Deviation from Planned 2017/18 Target**	**Comment on Deviation**
by March 2020							
4.1.6) Increase intake of Mid-Level Workers with at least 10% per annum (based on need per category)	6. Number of new Pharmacy Assistants enrolled in training courses	Annual Training Report	206	20	0	(100%)	Delays in SCM processes delayed awarding the tender for the training provider
	7. Number of new Clinical Associates enrolled in training courses	Annual Training Report	9	28	0	(100%)	No intake as a result of finding constraints and reprioritisation of other essential posts
4.1.7) Improve the EMS skills pool by increasing the number of EMS personnel trained in ILS to 360 and ECT to 150 by March 2020	8. Number of Intermediate Life Support graduates per annum	Training Report/ EMS College Register	38	72	48	(33.3%)	The COEC is accredited by the HPCSA and conducts the number of courses stipulated by them. The COEC is currently accredited to offer 3 ILS courses per calendar year with 24 students per course. Intake of 72 students of which 48 (67%) were successfully trained at ILS level

Changes to planned targets

No official change of targets in the reporting year.

Strategies to overcome areas of under-reporting

Financial constraints, as well as the interprovincial agreement between KZN and Mpumalanga to train their students, has seen KZNCN's bursary intake drastically reduced - This challenge may be remedied once the College is provided with Service Delivery Needs for the Department and is complemented by adequate funding.

Linking performance with budget

Table 55: Budget appropriation and expenditure

Programme per sub programme		2017/18							2016/17	
		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	271 731	-	(11 297)	260 434	260 434	-	100.0%	273 770	273 861
	Transfers and subsidies	1 500	-	2 661	4 161	4 161	-	100.0%	1 335	1 335
	Payments for capital assets	5 212	-	(3 779)	1 433	1 433	-	100.0%	522	33
	Total	**278 443**	**-**	**(12 415)**	**266 028**	**266 028**	**-**	**100.0%**	**275 627**	**275 229**
6.2	**EMS Training Colleges**									
	Current payments	16 747	-	379	17 126	17 126	-	100.0%	16 542	16 542
	Transfers and subsidies	15	-	103	118	118	-	100.0%	-	-
	Payments for capital assets	535	-	2	537	537	-	100.0%	-	-
	Total	**17 297**	**-**	**484**	**17 781**	**17 781**	**-**	**100.0%**	**16 542**	**16 542**
6.3	**Bursaries**									
	Current payments	24 242	-	2 476	26 718	26 718	-	100.0%	30 902	30 902
	Transfers and subsidies	266 867	-	19 667	286 534	286 534	-	100.0%	291 474	291 976
	Total	**291 109**	**-**	**22 143**	**313 252**	**313 252**	**-**	**100.0%**	**322 376**	**322 878**
6.4	**Primary Health Care Training**									
	Current payments	49 085	-	(2 052)	47 033	47 033	-	100.0%	38 625	38 625
	Transfers and subsidies	400	-	17	417	417	-	100.0%	510	510
	Payments for capital assets	1 500	-	(1 500)	-	-	-	-	-	-

Programme per sub programme		2017/18							2016/17	
		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	**50 985**	**-**	**(3 535)**	**47 450**	**47 450**	**-**	**100.0%**	**39 135**	**39 135**
6.5	**Training Other**									
	Current payments	584 799	-	(2 412)	582 387	582 387	-	100.0%	527 262	527 171
	Transfers and subsidies	19 050	-	91	19 141	19 141	-	100.0%	20 132	20 119
	Payments for capital assets	-	-	11	11	11	-	100.0%	-	-
	Total	**603 849**	**-**	**(2 310)**	**601 539**	**601 539**	**-**	**100.0%**	**547 394**	**547 290**

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

There is a functional system of monitoring medicine availability at facilities. All hospitals and community health centres have implemented the Electronic Stock Management System(s) (ESMS). The primary health care clinics implement the Stock Visibility System (SVS) which focussed on products for strategic health programmes and tracer medicine list as guided by the National Core Standards tools. The stock data is extracted for specific information for allocation of products of known limited availability and compilation of medicines availability dashboards. Where stock levels become low the intervention is made timeously to get stock to assist that facility.

The implementation and expansion of the Direct Delivery Strategy has increased the volume of purchase orders to be processed and followed up; thus needing that the department increases the capacity by replacing the personnel that exited the system. The coordination of activities supporting improved availability of and access to medicines would be improved by filling of the critical vacancies. The human resource capacity has been depleted by natural attrition over years; whereas the demand or workload has increased with increased population and disease burden.

Some suppliers of medicines were not delivering timeously without disclosing the actual challenges they had with the availability of stock. This delay in supplying required frequent follow-ups. There was also a transition between contracts whereby the suppliers in the new contract could not supply immediately.

Dunstan Farrell Hospital and UMzimkhulu Hospital Pharmacy are specialised hospitals with low volume use of medicines; thus they had to be removed from the list of facilities designated for the Direct Delivery System for selected products (reduction from 96 to 94). KZN Children's Hospital is also a specialised hospital whose pharmacy is under construction. It may also have to be removed from the list after having established the consumption volumes when the hospital is operating fully.

SO 5.2) Improve quality of care

The Department has done well with the implementation of the Direct Delivery Strategy having achieved 79.9 % (648/811) of the National Master Procurement Catalogue and 68% (612/898) of the Essential Medicine List. The Department was able to enrol 1 034 621 patients on the Central Chronic Medicine Dispensing and Distribution (CCMDD) Programme; exceeding the target of 1 million due to patients appreciating the convenience benefits of the programme. The tracer medicine stock-out rate at institutions was kept below 2%.

Table 56: Strategic Objectives, Indicators and Targets

APP 2017/18: Page 202; Table 79 (HCSS 1)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2016/17**	**Target 2017/18**	**Actual 2017/18**	**Deviation from Planned 2017/18 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	13%	10%	3%	70%	Improve oversight and active monitoring of the programme shows positive results. Infrastructural and equipment challenges are being addressed to further improve performance.
	Number of facilities reporting clean linen stock out	*Laundry Register*	*9*	*7*	*2*		
	Facilities total	*DHIS*	*73*	*73*	*73*		
1.9.5) Implement the approved Forensic Pathology Rationalisation Plan by March 2017	2. Forensic Pathology Rationalisation Plan	Rationalisation Plan	Plan not finalised	Plan Approved	Plan not approved	(100%)	Delays due to change of management.
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	3 (1)	0 (2)	(100%)	All processes to operationalise the third centre have been completed. The third facility is on our infrastructure plans for 2018/19 onwards
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	91%	94%	94%	0%	No deviation
	Pharmacies with A or B Grading	*Grading Certificates*	*86*	*88*	*89*		
	Number of pharmacies	*Pharmacy Records*	*95*	*94*	*95*		
5.2.3) Decrease medicine stock-out	5. Tracer medicine stock-out rate (PPSD)	Pharmacy Database	6.3%	4%	8.9%	(122.5%)	Supply Side Challenges: Some suppliers were not delivering timeously without disclosing the

APP 2017/18: Page 202; Table 79 (HCSS 1)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2016/17**	**Target 2017/18**	**Actual 2017/18**	**Deviation from Planned 2017/18 Target**	**Comment on Deviation**
rates to less than 1% in all health facilities and PPSD by March 2020	*Number of tracer medicine out of stock*	*Pharmacy Records*	*35*	*7*	*49*		actual challenges they had with the availability of stock. This delay in supplying required frequent follow-ups. There was also a transition between contracts whereby the suppliers in the new contract could not supply immediately.
	Total number of tracer medicine expected to be in stock	*Pharmacy Records*	*552*	*182*	*552*		
	6. Tracer medicine stock-out rate (Institutions)	Pharmacy Records	2%	2%	1.6%	(20%)	There is a functional system of monitoring medicine availability at facilities. Where stock levels become low the intervention is made timeously to get stock to assist that facility.
	Number of tracer medicines stock out in bulk store	*Pharmacy Records*	*1 298*	*2 715*	*3 614*		
	Number of tracer medicines expected to be stocked in the bulk store	*Pharmacy Records*	*80 751*	*135 772*	*224 778*		
5.2.4) Improve pharmaceutical procurement and distribution reforms	7. Percentage facilities on Direct Delivery Model for Procurement and Distribution of Pharmaceuticals	Pharmacy Records	97%	100%	99%	(1%)	KZN Children's Hospital Pharmacy has not obtained the SAPC registration documents yet as the pharmacy is still under construction. Dunstan Farrell Hospital and Umzimkulu Hospital Pharmacy are specialised hospitals with low volume use of medicines. These hospitals will be put on the Cross-docking model.
	Number of facilities on Direct Delivery Model	*Facilities Records*	*93*	*96*	*93*		
	Total number of facilities eligible for Direct Delivery Model	*Pharmacy Records*	*96*	*96*	*94*		
	8. Percentage facilities on Cross-Docking Model for Procurement and Distribution of Pharmaceuticals	Pharmacy Database	0%	30.3%	0%	(100%)	The SCM processes for the Cross-docking Services are in progress. The implementation is pending the finalisation of the SCM process. The technical evaluation of the bids was concluded in Quarter 3. The Bid Evaluation Committee has sat.
	Number of facilities on Cross-Docking Model	*Pharmacy Database*	*0*	*226*	*0*		
	Total number of facilities eligible for Cross-Docking Model	*Pharmacy Database*	*748*	*746*	*746*		

APP 2017/18: Page 202; Table 79 (HCSS 1)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2016/17**	**Target 2017/18**	**Actual 2017/18**	**Deviation from Planned 2017/18 Target**	**Comment on Deviation**
	9. Percentage of items on Direct Delivery and Cross Docking Model	Pharmacy Database	54%	65%	68.2%	4.6%	The Department has done well with the implementation of the Direct Delivery Strategy having achieved 79.9 % (648/811) of the National Master Procurement Catalogue and 68% (612/898) of the Essential Medicine List.
	Number of items on Direct Delivery and Cross Docking Model	*Pharmacy Database*	*482*	*Fluctuates*	*612*		
	Total number of items in the Provincial Essential Medicines Catalogue	*Essential Medicines Catalogue*	*900*	*Fluctuates*	*898*		
	10. Number of facilities implementing the CCMDD Programme	Pharmacy Database	606	746	713	(4.4%)	uMgungundlovu District and Umkhanyakude District still have a few facilities to enrol. However the denominator will be reviewed as it has been established that not all facilities are eligible for enrolling patients onto the CCMDD Programme because of the nature of the services they provide. The target should have been 717 as some specialised facilities are not suited for implementing the CCMDD programme.
	11. Number of patients enrolled on CCMDD programme (cumulative)	Pharmacy Database	619 020	1 000 000	1 034 621	3.4%	The Department marketed the CCMDD Programme through various media and it was well received by patients because of its benefits of convenience.
	12. Number of pick-up points linked to CCMDD programme	Pharmacy Database	2 069	3 000	3 050	1.6%	The Department established pick-up-points in the community in order that patients could access chronic medicines closer to where they live or work.

Changes to planned targets

No change in targets during the reporting year

Strategies to overcome areas of under-performance

- **Tracer Medicine Stock-Out Rate at PPSD**: The supplier performance management must be strengthened by implementing efficient electronic transactions that automate the calculations of lead times. Although the suppliers meet with the contract management team at the National Department of Health level, it is important that these meetings continue taking place at provincial level in order that the discussions can zoom into province specific matters as well. The critical vacant posts must be filled in order to facilitate contract management for supply of medicines, distribution contract and CCMDD programme contract(s).
- **Facilities on Cross-Docking Model for Procurement and Distribution of Pharmaceuticals**: The supply chain management processes must be concluded for the sourcing of the service provider for the Distribution Contract.
- **Orthotic centres**: Third facility logged as an infrastructure project awaiting signing of plans and calling of consultants

Linking performance with budget

Table 57: Budget appropriation and expenditure

Programme per sub programme		2017/18							2016/17	
		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	187 565	-	(21 959)	165 606	152 803	12 803	92.3%	262 935	240 935
	Transfers and subsidies	717	-	516	1 233	1 233	-	100.0%	622	622
	Payments for capital assets	4 800	-	(3 074)	1 726	1 726	-	100.0%	1 046	46
	Total	**193 082**	**-**	**(24 517)**	**168 565**	**155 762**	**12 803**	**92.4%**	**264 603**	**241 603**
7.2	**Orthotic and Prosthetic Services**									
	Current payments	28 798	-	7 891	36 689	36 689	-	100.0%	27 188	27 151

Programme per sub programme		2017/18							2016/17	
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
	Transfers and subsidies	60	-	(32)	28	28	-	100.0%	14	14
	Payments for capital assets	7 414	-	(1 691)	5 723	5 723	-	100.0%	8 563	-
	Total	**36 272**	**-**	**6 168**	**42 440**	**42 440**	**-**	**100.0%**	**35 765**	**27 165**

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 Health Facilities Management programme performed well in the period under review in the face of challenges which included reduced budget, poor performance by implementing agents and poor procurement processes.

EPWP targets were wrongly captured in the beginning of the year where a target of 4 486 was recorded instead of 2 227 which was approved on the project list by Head of Department in the beginning of the year.

A target for the ‘’Number of renovation and refurbishment projects completed’’ was also captured wrong at 7 against our base information which shows that we had originally planned to achieve 3.

SO 3.3) Create job opportunities

A total of 796 jobs were created through the Expanded Public Works Programme (EPWP) during the 2017/18 financial year.

Table 58: Strategic Objectives, Indicators and Targets

APP 2017/18: Page 210; Table 85 (HFM 1)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2016/17**	**Target 2017/18**	**Actual 2017/18**	**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 in NHI Pilot District	IRM,PMIS and Monthly Reports	50	148 Clinics: 131 Hospitals: 17	148	0%	No deviation
	2. Number of health facilities that have undergone major and minor refurbishment outside NHI Pilot District (excluding facilities in NHI Pilot District)	IRM,PMIS and Monthly Reports	New indicator	464 Clinics: 410 Hospitals: 54	464	0%	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	2 621	4 486	3 417	(23.8%)	The 2017/18 target was incorrect, and should have been 2 277. Annual performance therefore recorded as below target.
Strategic Objective 3.3: Improved health facility planning and infrastructure delivery							
3.3.1) Commission 28 new projects by March 2020	4. Number of new and replacement projects completed	IRM, PMIS and Monthly Reports	New indicator	15	15	0%	No deviation
	5. Number of renovation and refurbishment projects completed	IRM, PMIS and Monthly Reports	New indicator	7	16	57.1%	Take-over & re-scoping of the eThekwini Maintenance projects
3.3.2) Complete 35 upgrading & renovation projects by March 2019	6. Number of upgrade and addition projects completed	IRM, PMIS and Monthly Reports	21	22	22	0%	No deviation

APP 2017/18: Page 210; Table 85 (HFM 1)							
Strategic Objective Statement	**Performance Indicator**	**Data Source**	**Actual 2016/17**	**Target 2017/18**	**Actual 2017/18**	**Deviation from Planned 2016/17 Target**	**Comments on Deviation**
(cumulative)							
3.3.3) 100% of maintenance budget spent annually	7. Percentage of maintenance and repairs budget spent	IRM, PMIS and Monthly Reports	99%	100%	117%	17%	The budget initial amount was R 109 Million. Additional budget to the amount of R 88 Million was sourced from NDOH under HFRG which increased the budget allocation from R 109 Million to R 196 Million. The expenditure was however exceeded by 17 % to a total of R *230 434 128.95* Planned expenditure was exceed by exceeded by 17% due to 1. Roll over expenditure from 2016/17 financial year 2. Expenditure on emergency projects such as floods that took place in eThekwini district in October 2017 and other emergencies that arose due to urging infrastructure.
	Maintenance budget expenditure	*BAS*	*285 079 882*	*140 000 000*	*230 434 128.95*		
	Total Maintenance budget	*BAS*	*287 079 882*	*140 000 000*	*196 000 000*		

Changes to planned targets

No changes in targets during the reporting year

Strategies to overcome areas of under-performance

- During 2017/18 KZN-DOH Infrastructure unit continued to work hard to improve and this is showing results in the budget management and overall achievements.
- The Unit employed more professional staff in the variety of disciplines within the Built Environment as well as in the Health Technology sub unit.
- The Infrastructure unit is aiming to place infrastructure development and management back into Provincial Government hands.
- The Unit is also assessing its readiness to increase programmes that are implemented in house order to limit dependency to others.
- Infrastructure Unit now has a full functional structure consisting of Planning, Infrastructure Delivery, Maintenance and Engineering and Health Technology Directorates, filling of vacant posts for these Directorates continues to ensure maximum capacity

- The Infrastructure unit is meeting regularly with KZN-DOPW to improve corporative governance.
- Training of staff, including newly appointed staff, continues thereby ensuring continued management and reporting of projects.
- The Infrastructure unit is building a strong maintenance team and is training the team and health facilities maintenance staff on electronic systems to improve maintenance.
- The improved capacity of the Infrastructure unit allows KZN-DOH to ensure a sustainable Health Service Platform while moving away from constructing new facilities to well maintained, optimally utilised and sustainable existing facilities going forward.
- The Unit is developing maintenance management systems such as term contracts and computerised asset management systems.

Linking performance with budget

Table 59: Budget appropriation and expenditure

Programme per Sub-Programme		2017/18							2016/17	
		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	79 057	-	(26 894)	52 163	52 163	-	100.0%	69 941	74 492
	Payments for capital assets	53 994	-	4 192	58 186	58 186	-	100.0%	59 349	68 364
	Total	**133 051**	**-**	**(22 702)**	**110 349**	**110 349**	**-**	**100.0%**	**129 290**	**142 856**
8.2	**District Hospital Services**									
	Current payments	72 368	-	(6 134)	66 234	66 234	-	100.0%	78 626	85 880
	Payments for capital assets	66 404	-	43 887	110 291	110 291	-	100.0%	72 986	79 309
	Total	**138 772**	**-**	**37 753**	**176 525**	**176 525**	**-**	**100.0%**	**151 612**	**165 189**
8.3	**Provincial Hospital Services**									
	Current payments	105 868	-	5 004	110 872	110 872	-	100.0%	95 860	97 292
	Payments for capital assets	770 045	-	136 289	906 334	906 334	-	100.0%	794 968	766 231

Programme per Sub-Programme		2017/18							2016/17	
		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	**875 913**	**-**	**141 293**	**1 017 206**	**1 017 206**	**-**	**100.0%**	**890 828**	**863 523**
8.4	**Central Hospital Services**									
	Current payments	26 062	-	(8 958)	17 104	17 104	-	100.0%	20 784	18 033
	Payments for capital assets	3 000	-	(11 113)	(8 113)	(8 113)	-	100.0%	4 568	4 568
	Total	**29 062**	**-**	**(20 071)**	**8 991**	**8 991**	**-**	**100.0%**	**25 352**	**22 601**
8.5	**Other Facilities**									
	Current payments	149 014	-	30 357	179 371	179 371	-	100.0%	154 384	144 029
	Payments for capital assets	132 166	-	(101 881)	30 285	30 285	-	100.0%	69 109	82 377
	Total	**281 180**	**-**	**(71 524)**	**209 656**	**209 656**	**-**	**100.0%**	**223 493**	**226 406**

Source: Annual Financial Statements (BAS)

PART C: GOVERNANCE

Risk Management

The Department has an approved Risk Management Policy, Strategy and Implementation (Action) Plan. Progress on implementation of the Plan is reported to Management and the Risk Management Committee on a monthly and quarterly basis, respectively. Four Internal Risk Management Committee meetings were held during the 2017/18 financial year.

The Department has a functional 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 of Department.

The focus of the Department's Risk Management Unit has been on supporting the Department to continue to improve its risk management maturity through a programme of activity. In 2017/18 this included:

- Facilitating operational risk assessments,
- Identifying and appointing a virtual team of 'risk champions' at some of the institutions to provide additional risk support, advice and training within the business units and
- Providing ongoing risk education aimed at enhancing risk awareness.

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

There has been some progress in the management of risks, however this has not yet transmitted into significant improvements in the Department's performance as the risk maturity level is still at different levels within the organisation. Measures to improve the situation include changes to the risk management activities which should ensure closer monitoring of risk mitigation by the Accounting Officer and foster greater accountability and ownership at senior management level.

Fraud and Corruption

The Department has an established Directorate: Special Investigations that focuses on two pillars of fraud risk management, namely fraud prevention and investigations; the third element, which is the implementation of corrective actions, is handled by the Department's Labour Relations Office (LRO).

The Department, through its Fraud Prevention Plan and Strategies has adopted proactive measure to prevent risk of fraud and corruption, this include the pre-screening applicants before an appointment is made and the requirement that all senior management be vetted. In addition, all senior management and designated employees are obliged to disclose their financial interests annually.

The Department provides for a confidential whistle-blowing platform that enables any member of staff and public to report suspected actions of fraud and corruption. The Ethics Office has introduced awareness publications aimed at, amongst other, educating employees on how to identify fraudulent and corrupt behaviour.

The Department has established a case management system where all reported and known cases are recorded and monitored. Once a case is reported Special Investigations unit performs a preliminary investigation followed by a full investigation where appropriate. In addition, progress in respect of these cases, as well as those that have been referred by the Public Service Commission, through National Anti-Corruption Hot-line (NACH), are reported quarterly to the Cluster Audit and Risk Committee (CARC).

In FY 2017/2018 the Department registered a total of two hundred and fifty (250) enquiries, seventy four (74) cases were recommended for full investigation, forty two (42) cases were completed / finalised. Disciplinary hearings resulted dismissal of five (5) employees, nine (9) other sanctions and ten (10) employees resigned during investigation or after being served with charges.

Minimising Conflict of Interest

Circulars have been issued through HRMS with regard to the DPSA directive on prohibition on conducting business with the state or an organ of state. Officials who have been identified through the Public Service commission and the DPSA has having businesses that have been registered on the Central supplier Database of National Treasury have been advised of the provisions of the Directives and requested to either resign their respective directorships or resign from the Public Service. Disciplinary action has been advised for those who have not adhered to the formal instructions. In this regard:

- 81 officials resigned as a Director / Member of a company that was registered on the Central Suppliers Database
- 7 officials resigned
- 1 Public Service Contract expired
- 175 matters are unresolved

Districts Directors have initiated the processes of investigation and consequent disciplinary action.

In terms of Other Remunerative work outside the Public Service, (ORWOPS), A Committee has been set up to deal with ORWOPS applications. Applications are scrutinised and where there is conflict of interest detected or potential conflict, these applications are not recommended/approved.

Code of Conduct

The revised Code of Conduct has been publicised on the intranet. A copy of the Code of Conduct is also issued to all participants in the Ethics in the Workplace. In the last financial year 2 802 employees were reached.

Health and Safety and Environmental Issues

Health and Safety committees are available in all Hospitals and Community Health Centres to ensure appropriate management of health and safety issues including development and implementation of plans/activities to address identified gaps. All Heads of Hospitals and Community Health Centres have been appointed in terms Health and Safety Act to take health and safety responsibility in their Institutions. Hospital CEOs have access to Health and Safety Committee meetings minutes to ensure appropriate leadership and oversight. Medical surveillance is conducted to monitor health status of staff and ensure appropriate management of identified conditions. 4 353 staff were done medical baseline and 11 280 staff done periodic medical surveillance. TB screening has been prioritised since TB is considered to be high risk covering 60 321 staff. Occupational post exposure prophylaxis is provided to all staff exposed to bodily fluids and needle pricks. Condoms are distributed to the staff for HIV prevention. Personal protective equipment has been provided to various categories of staff.

Health Portfolio Committee

The Health Portfolio Committee exercises oversight over departmental performance and the 2017/18 meetings were held as follows:

- 18 April 2017
- 30 May 2017
- 04 August 2017
- 29 August 2017
- 19 September 2017

- 06 February 2018
- 09 March 2017
- 27 March 2018

The oversight visits were conducted as follows:

- 23 June 2017 - Northdale and Greys hospitals
- 30 November 2017 – Stakeholder meeting iLembe District
- 02 March 2018 – Fort Napier Mortuary and Fort Napier Psychiatric hospital

SCOPA Resolutions

Table 60: SCOPA Resolutions summary

Resolution Number	Subject	Details	Response by the Department
12/2017	Cost Containment Plan (relating to resolution 145/16) and medico-legal claims		Response submitted to SCOPA
72/2017	Audit Improvement Plan	Accounting Officer must submit an Audit Improvement Plan to the Committee	Response submitted to SCOPA
73/2017	Expenditure Management: Irregular Expenditure	Accounting Officer reports to the Committee on: - The measures that have been instituted by the Department to prevent a recurrence of irregular expenditure and to create effective internal control in respect of laws and regulations - That a report be submitted on action taken against those officials who did not take effective steps to prevent irregular expenditure	Response submitted to SCOPA
74/2017	Human Resource Management	The Accounting Officer reports on progress made in filling the vacant funded posts: - Senior management posts - Chief Financial Officer	Response submitted to SCOPA
75/2017	Accruals and Payables	Accounting Officer reports to the Committee on: - The reasons for non-compliance with Treasury Regulation 8.2.3, - Steps taken against officials responsible for late payment of accounts in contravention of Treasury Regulation 8.2.3, - Controls put in place to prevent a recurrence of non-payment within 30 days and - Budget measures put in place to avoid over and unauthorised expenditure in the 2017/2018 financial year.	Response submitted to SCOPA
76/2017	Predetermined Objectives & Achievement of targets	The Accounting Officer reports to the Committee on actions taken to ensure that the above findings are addressed and that no further findings on predetermined objectives occur in the next audit.	Response submitted to SCOPA
77/2017	Movable tangible capital Assets	The Accounting Officer report to the Committee on the development of an accurate and adequate asset management system.	Response submitted to SCOPA
78/2017	Commuted Overtime	The Accounting Officer report to the Committee by 31 January 2018 on the development and implementation of a plan to	Response submitted to

Resolution Number	Subject	Details	Response by the Department
	Allowances	ensure that commuted overtime payments are supported by sufficient, appropriate audit evidence.	SCOPA
79/2017	Contingent Liabilities	The Accounting Officer report to report on progress towards the implementation of adequate internal control processes for the review, allocation and classification of contingent liability claims.	Response submitted to SCOPA
80/2017	Procurement and Contract Management	The Accounting Officer reports on: - An action plan to ensure that the above findings are addressed and that further such findings do not occur in the next audit. - That the above report specifies the sanctions that will be implemented against those responsible for the transgressions listed.	Response submitted to SCOPA
81/2017	Fruitless & Wasteful Expenditure	The Accounting Officer report on the following: - The reasons for the fruitless and wasteful expenditure being incurred - Action taken against those officials responsible for incurring the fruitless and wasteful expenditure - Recovery of money from those responsible and; - Measures put in place to ensure that fruitless and wasteful expenditure does not occur in future.	Response submitted to SCOPA
111/2017	Transversal - Irregular Expenditure	The Accounting Officers of the departments and Accounting Authorities of the public entities report on: - What disciplinary steps have been taken by the Accounting Officers in terms of section 38(1)(h)(iii) and the Accounting Authorities in terms of section 51(1)(e)(iii) of the PFMA against those people responsible for the irregular expenditure. If no disciplinary action has been taken, the Accounting Officers and Accounting Authorities must provide reasons for this. - Whether any forensic or internal audit investigations are being conducted into the irregular expenditure which was incurred during the 2016/2017 financial year.	Response submitted to SCOPA
112/2017	Transversal - Payments to creditors within 30 days	The Accounting Officers of Departments and the Accounting Authorities of public entities submit the following information: - The names of service providers owed and not paid on time. - The amount owed to those service providers. - The due date for payment. - The officials responsible for making payment to service providers	Response submitted to SCOPA
113/2017	Transversal - Officials conducting business with government	The Accounting Officers and Accounting Authorities report on the number of employees conducting business with government, and where any irregularities have occurred, what action is being/has been taken against the employee in each case.	Response submitted to SCOPA
114/2017	Transversal - Investigations	The Accounting Officers of departments report to the Committee on the following: - What investigations are currently underway in the departments and public entities and what deadline has been set for these to be completed? - What investigations have been completed in the 2015/16 and 2016/17 financial years?	Response submitted to SCOPA

Resolution Number	Subject	Details	Response by the Department
		- The Committee to be provided with copies of the reports on completed investigations. - That the Accounting Officers of Departments and Accounting Authorities of public entities report on action taken to implement the recommendations contained in the reports on investigations, disciplinary cases that may have been initiated, criminal cases and recovery of money by way of civil proceedings.	
115/2017	Transversal - Consequence Management	The Accounting Officers report to the Committee on the actions taken against officials who transgressed the provisions of the PFMA as well as reasons for not taking action against officials who committed transgressions.	Response submitted to SCOPA
116/2017	Transversal - Annual Financial Statements	In compliance with Section 40(1)(b) of the Public Finance Management Act, Accounting Officers be requested to ensure that financial statements are prepared regularly during the financial year and that due diligence is exercised to ensure that the financial statements are correct in all respects and that the financial statements are submitted to Internal Audit and the Provincial Audit and Risk Committee timeously. - That all Accounting Officers report by 31 January 2018 on action taken in terms of resolution (1) above to resolve this audit issue	Response submitted to SCOPA
117/2017	Transversal - Fruitless & Wasteful Expenditure	The Accounting Officers of Departments and Accounting Authorities of public entities report on the following: - The reasons for the fruitless and wasteful expenditure being incurred in the 2016/2017 financial year. - Action taken against those officials responsible for incurring the fruitless and wasteful expenditure. - Recovery of money from those responsible and; - Measures put in place to ensure that fruitless and wasteful expenditure does not occur in future.	Response submitted to SCOPA
118/2017	Transversal - Funded vacant posts	The Accounting Officers of the relevant departments report on the following: - A list of vacant senior management posts in their respective departments. - What action is being taken in the departments and public entities to address the findings of the Auditor-General with regard to the filling of vacancies in senior management positions? - That the Portfolio Committees be requested to monitor filling of all vacant funded posts in departments, especially key positions and senior management positions.	Response submitted to SCOPA
119/2017	Transversal - Asset Register	The Accounting Officers of the relevant departments report on:- - Departmental asset management policy which will address weaknesses identified by the Auditor-General. - The completeness of the departments' asset registers. - What action will be taken against those who do not comply with the policy.	Response submitted to SCOPA
120/2017	Transversal - Performance Agreement	The MECs of the Departments be requested to report on: - Whether the Accounting Officers and Senior Managers in their departments have all signed performance agreements	Response submitted to SCOPA

Resolution Number	Subject	Details	Response by the Department
		and if not, the reasons for non-compliance in this regard. - Whether performance agreements clearly set out the consequences for non-performance and under-performance on responsibilities set out in the agreements and financial mismanagement and the sanctions which will be imposed in the event of non-performance, under-performance or financial mismanagement - Whether performance agreement include as a key performance indicator the general responsibilities of the Accounting Officers and Senior Managers to prevent unauthorised expenditure, irregular expenditure or fruitless and wasteful expenditure, and if not, the reasons for this exclusion.	
17/2018	Irregular expenditure	The Accounting Officer report in detail on progress made in: - Resolving the issue of expired contracts and conclusion of new contracts, with time frames for finalization. - The consultations with Provincial and National Treasury on prior years' irregular expenditure and the outcomes. - The investigations by the Disciplinary Committee and disciplinary action taken, with time frames for finalization of all matters. - The findings and recommendations of the investigations conducted by Provincial Treasury into irregular expenditure, steps taken to implement the recommendations and time frames for conclusion.	Response submitted to SCOPA
18/2018	HRMS	The Accounting Officer report to the Committee on the progress made in the filling of vacant funded posts, in particular the post of the CFO.	Response submitted to SCOPA
19/2018	Accruals and payables	The Accounting Officer report to the Committee by 30 April 2018 on: - Steps taken against officials responsible for late payment of accounts in contravention with Treasury Regulation 8.2.3 - Cases being investigated. - A detailed explanation as to why the Department will exceed budget irrespective of controls and budget measures put in place. - Measures put in place to avoid recurring of overspending.	Response submitted to SCOPA
20/2018	Moveable tangible capital assets	That the Accounting Officer submit a progress report to the Committee by 30 April 2018 on: - The Finalisation of the Fixed Assets Register. - The implementation of an Electronic Inventory and Asset Management System. - The valuation of fixed movable assets.	Response submitted to SCOPA
21/2018	Officials doing business with government	The Accounting Officer report to the Committee on the progress made in the disciplinary matters, with time frames for finalisation.	Response submitted to SCOPA
22/2018	Investigations	Certain investigations are currently in progress for the 2015/16, 2016/17 and 2017/18 financial years. - The Committee resolves that the Portfolio Committee on Health monitor this matter on quarterly basis.	Response 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 following functions:

1. Audit Management
2. Internal Control
3. Co-ordination and collation of information for the compilation of reports to the Oversight Committees
4. Auditing and reporting on Management Performance Assessment Tool (MPAT)

1. Audit Management

Audit and Internal Control is responsible for the management of all audit assignments that are undertaken in the Department by the Auditor-General and the KwaZulu-Natal Provincial Treasury's Internal Audit Unit. In this regard, the component is 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 to, as well to create and maintain a working relationship with both the Office of the Auditor-General and the Internal Audit Unit of the KwaZulu-Natal Provincial Treasury.

2. Internal Control

The Component is also responsible for the undertaking and finalising of internal control assessments in respect of all administrative disciplines as well providing management at Head Office, Districts and Institutions with information concerning the various risk areas that prevail within their institutions/areas of responsibility as well as developing strategies and actions to ensure that the identified control weaknesses are mitigated.

3. Co-ordination and reporting to the Oversight Committees

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. Further, the Component is also responsible for the co-ordination, formulation and finalisation of all responses to resolutions of the Finance Portfolio Committee and the Health Portfolio Committee.

4. Auditing and reporting on Management Performance Assessment Tool (MPAT)

The component is responsible for the auditing of all information and substantiating evidence relating to the standards of the four (4) KPA's namely, Strategic Management, Governance and Accountability, Human Resource Management and Financial Management Key Result Areas prior to the sign-off by the Head of Department and the submission thereof to the Department of Planning, Monitoring and Evaluation (DPME) in the Office of the Presidency. Further, the component is also responsible for reporting on the Governance and Accountability Key Performance Area (KPA 2) of the MPAT.

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 2018.

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 approved terms of reference.

#	Name of Member	PARC Meetings Attended	Social CARC Meetings Attended
1.	Mr S Simelane (Acting Chairman of PARC)	*7 of 7*	*N/A**
2	Mr V Ramphal	*7 of 7*	*N/A**
3.	Mr P Christianson (Acting Chairperson of Social CARC)	*7 of 7*	*4 of 4*
4.	Ms T Njozela	*6 of 7*	*4 of 4*
5.	Mr D O'Connor	*7 of 7*	*4 of 4*
6.	Ms N Sithole (Appointed 01 May 2018)	*N/A*	*1 of 4*
7.	Mr M Tarr (Appointed 01 May 2018)	*N/A*	*N/A**

** refers to PARC members who did 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
- Capital work in progress
- Commitments
- Compensation of employees (commuted overtime allowances)
- Payables and Accruals not recognised
- Expenditure Management - Irregular Expenditure
- Procurement and Contract Management
- Performance Information
- Infection Prevention and Control
- Hospital Management
- Supply Chain Management
- Inventory Management
- Pharmaceutical Services
- Human Resources Management
- Patient Administration Services including records management
- Revenue Management
- Contingent Liabilities

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 did not respond with the required urgency to internal control deficiencies raised by PIAS and the AGSA, during the current and previous financial year; and was urged to implement 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 the operational and strategic activities of the department.

The PIAS planned to conduct thirteen 13audit assignments for the period under review, twelve (12) of which were finalised during the period under review and one (1) was carried over to the 2018/19 year

The PIAS performed effectively during the period under review even though the Committee noted with concern, the financial and human resource limitations imposed upon it. During the 2018/19 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	26	22	33	15	0	96
Number of Identified Action Plans	61	60	86	13	0	220
Number of Completed Action Plans.	11	53	46	13	0	123

The Committee has, throughout the period under review, been concerned about the department's poor oversight over its risk register, mainly with respect to the department's slow progress in addressing long outstanding risk mitigation plans, with particular reference to the critical risks. 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.

Although the Department is commended on the implementation of action plans relating to the Fraud Prevention Plan, The Committee is, however, concerned about the extremely slow progress the Department has made in implementing the action plans in respect of Risk Maturity, Business Continuity, and Occupational Health and Safety. There was lack of capacity and budget constraints with respect to the Risk Management Unit, resulting in non-compliance with the minimum risk management standards. The department is again urged to improve its performance in the areas highlighted during the 2018/19 financial year.

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

The Committee noted the content 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. The Committee is of the view that the quality of these reports can be improved to reflect information more accurately.

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

During the 2017/2018 financial year, the Committee noted that there were eleven (11) forensic investigations all relating to alleged nepotism, supply chain management and procurement irregularities and mismanagement of funds, which the department has referred to the PIAS for investigation. Seven (7) of these investigations were completed and four (4) are still in progress.

The Committee further noted that:

- None of the matters are currently under criminal investigation by the South African Police Service (SAPS);

- In two (2) of the completed investigations, disciplinary proceedings had commenced of which one (1) was finalised; and
- For a further one (1) of the completed investigations whereby disciplinary actions were recommended, disciplinary proceedings must be instituted by the Accounting Officer.

The department and the PIAS are urged to promptly finalize the outstanding investigations, and work together to implement recommendations made in the finalised investigations.

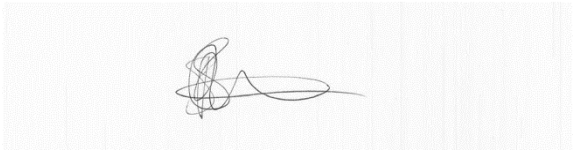
8. Auditor-General's Report

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 notes with concern that management did not respond with the required urgency to internal control deficiencies raised by PIAS and the AGSA, during the current and previous financial year 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

06 August 2018

PART D: HUMAN RESOURCES OVERSIGHT REPORT

Personnel Related Expenditure

Table 61: (3.1.1) Personnel expenditure by programme: 01/04/2017 – 31/03/2018

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) [69]
Administration	R 959 036	R 381 040	R 0	R 0	39.7%	R 492
Central Hospital Services	R 4 849 271	R 2 615 238	R 0	R 0	53.9%	R 435
District Health Services	R 19 140 173	R 11 899 349	R 0	R 0	62.2%	R 254
Emergency Medical Services	R 1 377 551	R 950 645	R 0	R 0	69%	R 325
Health Care Support Services [70]	R 108 440	R 134 479	R 0	R 0	124%	R 247
Health Facilities Management	R 1 608 290	R 56 850	R 0	R 0	3.5%	R 27
Health Sciences & Training	R 1 246 555	R 871 279	R 0	R 0	69.9%	R 322
Provincial Hospital Services	R 10 611 111	R 7 728 413	R 0	R 0	72.8%	R 375
Total as on Financial Systems (BAS)	**R 39 900 427**	**R 24 637 293**	**R 0**	**R 0**	**61.7%**	**R 299**

Source: Vulindlela Annual Report (extracted on 03/05/2018)

Table 62: (3.1.2) Personnel cost by salary band: 01/04/2017 – 31/03/2018

Salary band	Personnel expenditure (R'000)	% of total personnel cost	Number of employees	Average personnel cost per employee
01 Lower skilled (Levels 1-2)	R 694 117	2.8%	3 888	R 178 528
02 Skilled (Levels 3-5)	R 6 943 148	27.9%	31 821	R 218 194
03 Highly skilled production (Levels 6-8)	R 5 038 613	20.3%	14 195	R 354 957
04 Highly skilled supervision (Levels 9-12)	R 7 972 395	32.1%	12 683	R 628 589
05 Senior management (Levels 13-16)	R 2 094 376	8.4%	1351	R 1 550 241
09 Other	R 4 642	0%	33	R 140 667
10 Contract (Levels 1-2)	R 5 334	0%	12	R 444 500
11 Contract (Levels 3-5)	R 73 895	0.3%	548	R 134 845
12 Contract (Levels 6-8)	R 285 376	1.1%	786	R 363 074
13 Contract (Levels 9-12)	R 1 018 626	4.1%	1 411	R 721 918

[69] BAS expenditure does not have the number of employees per Program, so the numbers of employees according to Persal have been used to calculate cost per employee.

[70] The COE of Program 7 Health Care Support was adjusted to accommodate PPSD, previously on the Medvas Expenditure as a separate program.

Salary band	Personnel expenditure (R'000)	% of total personnel cost	Number of employees	Average personnel cost per employee
14 Contract (Levels 13-16)	R 211 132	0.8%	130	R 1 624 092
18 Contract Other	R 57 565	0.2%	1267	R 45 434
19 Periodical Remuneration	R 35 090	0.1%	365	R 96 137
20 Abnormal Appointment	R 305 660	1.2%	13 778	R 22 185
TOTAL	**R 24 739 969**	**99.5%**	**82 268** [71]	**R 300 724**

Source: Vulindlela Annual Report (extracted on 03/05/2018)

Table 63: (3.1.3) Salaries, Overtime, Home Owners Allowance & Medical Aid: 01/04/2017 – 31/03/2018

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
Administration	R 342 686	82.9%	R 2 594	0.6%	R 8 145	2	R 15 116	7.3%
Central Hospital Services	R 2 013 538	76.4%	R 185 538	7%	R 76 745	2.9%	R 114 492	8.8%
District Health Services	R 9 668 093	80.2%	R 262 807	2.2%	R 463 391	3.8%	R 557 203	9.5%
Emergency Medical Services	R 640 476	67%	R 131 115	13.7%	R 41 643	4.4%	R 65 695	13.9%
Provincial Hospital Services	R 5 962 008	77%	R 471 009	6.1%	R 248 174	3.2%	R 362 440	9.6%
Health Care Support Services	R 98 888	72.6%	R 5 667	4.2%	R 7 139	5.2%	R 11 562	17.9%
Health Facilities Management	R 14 450	98.3%	R 0	0%	R 15	0.1%	R 51	0.3%
Health Sciences & Training	R 695 855	79.6%	R 126 362	14.4%	R 6 640	0.8%	R 10 556	2.4%
Health Facilities Management	R 18 573	98.7%	R 0	0%	R 15	0.1%	R 49	0.3%
TOTAL	**R 19 454 567**	**78.3%**	**R 1 185 092**	**4.8%**	**R 851 906**	**3.4%**	**R 1 137 163**	**4.6%**

Source: Vulindlela Annual Report (extracted on 03/05/2018)

[71] Includes periodical and abnormal appointments.

Table 64: (3.1.4) Salaries, Overtime, Home owners Allowance & Medical Aid: 01/04/2017 – 31/03/2018

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)	R 513 378	74%	R 288	0%	R 66 200	9.5%	R 48 599	7%
Skilled (Levels 3-5)	R 5 167 764	74%	R 112 548	1.6%	R 454 585	6.5%	R 563 660	8.1%
Highly skilled production (Levels 6-8)	R 4 014 984	79.3%	R 61 172	1.2%	R 191 892	3.8%	R 291 283	5.8%
Highly skilled supervision (Levels 9-12)	R 6 562 398	81.9%	R 311 861	3.9%	R 134 351	1.7%	R 221 594	2.8%
Senior management (Levels 13-16)	R 1 506 996	71.7%	R 423 436	20.1%	R 3 261	0.2%	R 10 282	0.5%
Other	R 4 011	86.4%	R 0	0%	R 256	5.5%	R 146	3.1%
Contract (Levels 1-2)	R 5 310	97.7%	R 0	0%	R 0	0%	R 0	0%
Contract (Levels 3-5)	R 72 899	97.5%	R 224	0.3%	R 101	0.1%	R 111	0.1%
Contract (Levels 6-8)	R 278 990	97.5%	R 2 328	0.8%	R 512	0.2%	R 565	0.2%
Contract (Levels 9-12)	R 776 355	76.1%	R 224 743	22%	R 530	0.1%	R 344	0%
Contract (Levels 13-16)	R 154 065	72.8%	R 48 485	22.9%	R 219	0.1%	R 578	0.3%
Contract Other	R 57 476	99.8%	R 6	0%	R 0	0%	R 0	0%
Periodical Remuneration	R 34 477	97.8%	R 0	0%	R 0	0%	R 0	0%
Abnormal Appointment	R 305 464	99.9%	R 0	0%	R 0	0%	R 0	0%
TOTAL	**R 19 454 567**	**78.3%**	**R 1 185 092**	**4.8%**	**R 851 906**	**3.4%**	**R1 137 163**	**4.6%**

Source: Vulindlela Annual Report (extracted on 03/05/2018)

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

Table 65: (3.2.1.) Employment and vacancies by programme as on 31 March 2018

Programme [72]	Number of posts on approved establishment	Number of posts filled	Vacancy rate %	Number of employees additional to the establishment
Administration	830	774	6.7%	28
District Health Services	38 565	35 614	8%	178
Emergency Medical Services	3 077	2 917	5.2%	0
Provincial Hospital Services	21 149	19 464	8%	0
Central Hospital Services	6 710	6 103	9.2%	0
Health Sciences & Training	3 150	2 704	14.2%	369
Health Care Support Services	593	544	8.3%	0
Health Facilities Management	6	5	16%	1
TOTAL	**74 080**	**68 125**	**8%**	**576**

Source: Vulindlela Annual Report (extracted on 03/05/2018)

Table 66: (3.2.2.) Employment and vacancies by salary band as on 31 March 2018

Salary band [73]	Number of posts on approved establishment	Number of posts filled	Vacancy rate %[74]	Number of employees additional to establishment
Lower Skilled (Levels 1-2)	4 199	3 888	7.4%	4
Skilled (Levels 3-5)	33 836	31 821	6%	8
Highly Skilled Production (Levels 6-8)	15 292	14 195	7.2%	1
Highly Skilled Supervision (Levels 9-12)	14 858	12 683	14.6%	3
Senior Management (Levels 13-16)	1 708	1 351	20.9%	1
Other	1 300	1 300	0%	298
Contract (Levels 1-2), Permanent	12	12	0%	0
Contract (Levels 3-5), Permanent	548	548	0%	208
Contract (Levels 6-8), Permanent	786	786	0%	19
Contract (Levels 9-12), Permanent	1 411	1 411	0%	33
Contract (Levels 13-16), Permanent	130	130	0%	1
TOTAL	**74 080**	**68 125**	**8%**	**576**

Source: Vulindlela Annual Report (extracted on 03/05/2018)

[72] Includes only permanent and temporary staff within specific Programmes
[73] Includes only permanent and temporary employees
[74] Note that the vacancy rate is influenced by the abolishing of unfunded posts on Persal

Table 67: (3.2.3.) Employment and vacancies by critical occupation as on 31 March 2018

Critical occupations [75]	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.	392	359	8.4%	0
Ambulance And Related Workers	2 910	2 757	5.3%	0
Dental Practitioners	160	146	8.8%	0
Dieticians And Nutritionists	227	207	8.8%	1
Emergency Services Related	49	48	2%	0
Engineers And Related Professionals	43	39	9.3%	4
Environmental Health	94	88	6.4%	0
Medical Practitioners	4 070	3 524	13.4%	0
Medical Research And Related Professionals	127	115	9.4%	0
Medical Specialists	1 045	764	26.9%	0
Medical Technicians/Technologists	180	161	10.6%	0
Occupational Therapy	235	197	16.2%	0
Optometrists And Opticians	70	67	4.3%	0
Oral Hygiene	36	34	5.6%	0
Pharmacists	962	852	11.4%	0
Physicists	5	5	0%	0
Physiotherapy	367	329	10.4%	0
Professional Nurse	19 001	17 090	10.1%	11
Psychologists And Vocational Counsellors	118	83	29.7%	0
Radiography	719	606	15.7%	1
Social Work And Related Professionals	281	271	3.6%	9
Speech Therapy And Audiology	200	165	17.5%	0
TOTAL	**31 291**	**27 907**	**10.8%**	**26**

Source: Vulindlela Annual Report (extracted on 03/05/2018)

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.

[75] Includes only permanent and temporary employees

Table 68: (3.3.1) SMS post information as on 31 March 2018

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	0	0%	1	100%
Salary level 16 [76]	1	1	100%	0	0%
Salary level 15	7	5	71.43%	2	28.57%
Salary level 14	19	17	89.47%	2	10.53%
Salary level 13	80	62	77.5%	18	22.5%
Total	**108**	**85**	**78.7%**	**23**	**21.3%**

Source: Persal Report as at 31/04/2018

Table 69: (3.3.2) SMS post information as on 30 September 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 [77]	1	1	100%	0	0%
Salary level 15	7	5	71.43%	2	28.57%
Salary level 14	18	13	72.22%	5	27.78%
Salary level 13	77	64	83.12%	13	16.88%
Total	**104**	**84**	**80.77%**	**20**	**19.23%**

Source: Persal Report as at 30/09/2017

Table 70: (3.3.3) Advertising and filling of SMS posts: 01/04/2017 – 31/03/2018

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled during 2017/18 [78]	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Head: Health	1	0	0%	1	100%
Salary Level 16[79]	1	0	0%	0	0%
Salary Level 15	7	0	0%	2	28.57%
Salary Level 14	19	7	36.8%	2	10.53%
Salary Level 13	80	9	11.25%	18	22.5%
Total	**108**	**16**	**14.81%**	**23**	**21.3%**

Source: Persal Report as at 31/03/2018 and Director: HR Practices and Administration

[76] MEC's Post
[77] MEC's Post
[78] SMS Posts advertised and filled during 2017/18
[79] MEC's Post

Table 71: (3.3.4) Reasons for non-compliance with filling of funded vacant SMS posts: 01/04/2017 – 31/03/2018

Reasons for vacancies not advertised within 6 months
Provincial Treasury has directed that the Department must undertake a reprioritisation exercise to indicate how the filling of non-exempted posts will be funded before consideration can be given to fill these posts. The Department is finalising the minimum staff establishment project which must be approved by Provincial Treasury and Office of the Premier. It is anticipated that this process will pave the way for the Department to be able to fill critical posts in all occupational categories provided, funds are available.
Reasons for vacancies not filled within 6 months
Provincial Treasury has directed that the Department must undertake a reprioritisation exercise to indicate how the filling of non-exempted posts will be funded before consideration can be given to fill these posts. The Department is finalising the minimum staff establishment project which, must be approved by Provincial Treasury and Office of the Premier. It is anticipated that this process will pave the way for the Department to be able to fill critical posts in all occupational categories provided, funds are available.

Source: Director: HR Practices and Administration

Table 72: (3.3.5) Disciplinary steps taken for non-compliance with prescribed timeframes for filling SMS posts within 12 months: 01/04/2017 – 31/03/2018

Disciplinary steps taken: Reasons for vacancies not advertised within six months
Disciplinary steps could not be taken as a failure to advertise posts as the Department has been directed by Provincial Treasury to first underatke a reprioritasation exercise.
Disciplinary steps taken: Reasons for vacancies not filled within six months
Disciplinary steps could not be taken as a failure to fill posts as the Department has been directed by Provincial Treasury to first underatke a reprioritasation exercise.

Source: Director: HR Practices and Administration

Job Evaluations

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 73: (3.4.1) Job Evaluation by salary band: 01/04/2017 – 31/03/2018

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)	4 199	4 179	99.5%	47	72.34%	10	100%
Skilled (Levels 3-5)	33 836	33 773	99.8%	4 000	98.68%	47	100%
Highly Skilled Production (Levels 6-8)	15 292	15 246	99.7%	198	88.38%	6	100%
Highly Skilled Supervision (Levels 9-12)	14 858	14 831	99.8%	27	55.56%	4	75%
Senior Management	1 082	1 079	99.7%	3	100%	0	0%

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
Service Band A							
Senior Management Service Band B	344	341	99.1%	1	0%	0	0%
Senior Management Service Band C	238	234	98.3%	0	0%	0	0%
Senior Management Service Band D	44	43	97.7%	0	0%	0	0%
Other	1 300	1 300	100%	1	0%	0	0%
Contract (Levels 1-2)	12	12	100%	0	0%	0	0%
Contract (Levels 3-5)	548	486	88.7%	2	100%	0	0%
Contract (Levels 6-8)	786	782	99.5%	0	0%	0	0%
Contract (Levels 9-12)	1 411	1 409	99.9%	1	0%	0	0%
Contract Band A	119	119	100%	0	0%	0	0%
Contract Band B	7	7	100%	0	0%	0	0%
Contract Band C	3	2	66.7%	0	0%	0	0%
Contract Band D	1	1	100%	0	0%	0	0%
TOTAL	**74 080**	**73 844**	**99.70%**	**4280**	**97.57%**	**67**	**98.51%**

Source: Vulindlela Annual Report (extracted on 03/05/2018)

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 74: (3.4.2) Profile of employees whose positions were upgraded due to their posts being upgraded: 01/04/2017 – 31/03/2018

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 (extracted on 03/05/2018)

Table 75: (3.4.3) Employees with salary levels higher than those determined by job evaluation by occupation: 01/04/2017 – 31/03/2018

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

Source: Vulindlela Annual Report (extracted on 03/05/2018) and Director: OES

Table 76: (3.4.4) Profile of employees who have salary levels higher than those determined by job evaluation: 01/04/2017 – 31/03/2018

Total number of employees whose salaries exceeded the grades determine by job evaluation	None

Source: Vulindlela Annual Report (extracted on 03/05/2018) and Director: OES

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 77: (3.5.1) Annual turnover rates by salary band: 01/04/2017 – 31/03/2018

Salary band [80] [81]	Number of employees at beginning of 1 April 2017	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Lower Skilled (Levels 1-2)	7 012	44	215	3.1%
Skilled (Levels 3-5)	30 976	276	1 032	3.3%
Highly Skilled Production (Levels 6-8)	15 694	761	859	5.5%
Highly Skilled Supervision (Levels 9-12)	9 945	806	1 153	11.6%
Senior Management Service Band A	873	28	68	7.8%
Senior Management Service Band B	205	6	37	18%
Senior Management Service Band C	195	3	15	7.7%
Senior Management Service Band D	42	2	5	11.9%
Other Permanent	1 780	449	726	40.8%
Contract (Levels 1-2) Permanent	51	17	8	15.7%
Contract (Levels 3-5) Permanent	411	555	119	29%
Contract (Levels 6-8) Permanent	822	660	977	118.9%
Contract (Levels 9-12) Permanent	1 480	853	871	58.9%
Contract Band A Permanent	110	15	28	25.5%
Contract Band B Permanent	20	0	5	25%
Contract Band C Permanent	9	2	2	22.2%
Contract Band D Permanent	2	0	1	50%
TOTAL	**69 627**	**4 477**	**6 121**	**8.8%**

Source: Vulindlela Annual Report (extracted on 03/05/2018)

[80] Includes only permanent and temporary staff per salary band
[81] The actual number of SMS employees is 85. 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.

Table 78: (3.5.2) Annual turnover rates by critical occupation: 01/04/2017 – 31/03/2018

Critical Occupation [82]	Number of employees at beginning of 1 April 2017	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
All Artisans In The Building Metal Machinery Etc.	377	4	20	5.3%
Ambulance And Related Workers	2 797	1	49	1.8%
Dental Practitioners	147	44	44	29.9%
Dieticians And Nutritionists	212	47	56	26.4%
Emergency Services Related	48	0	0	0%
Engineering Sciences Related	39	1	1	2.6%
Environmental Health	93	3	11	11.8%
Medical Practitioners	3 509	1 333	1 327	37.8%
Medical Research And Related Professionals	99	30	14	14.1%
Medical Specialists	784	112	158	20.2%
Medical Technicians/Technologists	139	33	16	11.5%
Occupational Therapy	211	62	82	38.9%
Optometrists And Opticians	67	4	5	7.5%
Oral Hygiene	37	0	3	8.1%
Pharmacists	834	278	260	31.2%
Physicists	5	0	1	20%
Physiotherapy	357	74	101	28.3%
Professional Nurse	17 039	1 219	1 427	8.4%
Psychologists And Vocational Counsellors	95	31	44	46.3%
Radiography	629	107	133	21.1%
Social Work And Related Professionals	285	10	22	7.7%
Speech Therapy And Audiology	176	63	72	40.9%
TOTAL	**27 979**	**3 456**	**3 846**	**13.7%**

Source: Vulindlela Annual Report (extracted on 03/05/2018)

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.

[82] Includes only permanent and temporary staff per critical occupation category

Table 79: (3.5.3) Reasons why staff left the Department: 01/04/2017 – 31/03/2018

Termination type [83]	Number	% of total resignations
Death	310	5.06%
Resignation	1 720	28.1%
Expiry of contract	2 988	48.82%
Transfers	3	0.05%
Discharged due to ill health	53	0.87%
Dismissal-misconduct	69	1.13%
Dismissal-inefficiency	2	0.03%
Retirement	976	15.95%
TOTAL	**6 121**	**100%**

Source: Vulindlela Annual Report (extracted on 03/05/2018)

Table 80: (3.5.4) Promotions by critical occupation: 01/04/2017 – 31/03/2018

Occupation	Employees as at 1 April 2017	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 The Building Metal Machinery Etc.	377	0	0%	290	76.9%
Ambulance And Related Workers	2 797	0	0%	2 068	73.9%
Dental Practitioners	147	1	0.7%	73	49.7%
Dieticians And Nutritionists	212	0	0%	133	62.7%
Emergency Services Related	48	0	0%	29	60.4%
Engineering Sciences Related	2	1	50.%	2	100%
Engineers And Related Professionals	37	0	0%	13	35.1%
Environmental Health	93	0	0%	60	64.5%
Medical Practitioners	3 509	93	2.7%	1 026	29.2%
Medical Research And Related Professionals	99	0	0%	19	19.2%
Medical Specialists	784	24	3.1%	321	40.9%
Medical Technicians/Technologists	139	1	0.7%	90	64.7%
Occupational Therapy	211	0	0%	102	48.3%
Optometrists And Opticians	67	0	0%	37	55.2%
Oral Hygiene	37	0	0%	31	83.8%
Pharmacists	834	8	1%	376	45.1%
Physicists	5	0	0%	4	80%
Physiotherapy	357	0	0%	219	61.3%
Professional Nurse	17 039	214	1.3%	7 189	42.2%

[83] Includes only permanent and temporary staff

Occupation	Employees as at 1 April 2017	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
Psychologists And Vocational Counsellors	95	0	0%	43	45.3%
Radiography	629	14	2.2%	345	54.8%
Social Work And Related Professionals	285	0	0%	96	33.7%
Speech Therapy And Audiology	176	0	0%	76	43.2%
TOTAL	**27 979**	**356**	**1.3%**	**12 642**	**45.2%**

Source: Vulindlela Annual Report (extracted on 03/05/2018)

Table 81: (3.5.5) Promotions by salary band: 01/04/2017 – 31/03/2018

Salary band [84]	Employees on 1 April 2017	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)	7 012	1	0%	2 088	29.8%
Skilled (Levels 3-5)	30 976	29	0.1%	20 427	65.9%
Highly Skilled Production (Levels 6-8)	15 694	45	0.3%	7 115	45.3%
Highly Skilled Supervision (Levels 9-12)	9 945	237	2.4%	6 125	61.6%
Senior Management (Levels 13-16), Permanent	1 315	88	6.7%	843	64.1%
Other, Permanent	1 780	0	0%	15	0.8%
Contract (Levels 1-2), Permanent	51	0	0%	0	0%
Contract (Levels 3-5), Permanent	411	0	0%	17	4.1%
Contract (Levels 6-8), Permanent	822	0	0%	18	2.2%
Contract (Levels 9-12), Permanent	1 480	8	0.5%	86	5.8%
Contract (Levels 13-16), Permanent	141	6	4.3%	61	43.3%
TOTAL	**69 627**	**414**	**0.6%**	**36 795**	**52.8%**

Source: Vulindlela Annual Report (extracted on 03/05/2018)

Employment Equity

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

[84] Includes only permanent and temporary staff per salary band

Table 82: (3.6.1) Total number of employees in each of the following occupational categories as on 31 March 2018

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Professionals	1978	51	925	404	2 188	101	1 371	429	7 447
Technicians And Associate Professionals	3 751	51	364	27	17434	449	1 901	336	24 313
Labourers And Related Workers	2 308	36	213	23	4 611	52	149	21	7 443
Plant And Machine Operators And Assemblers	515	11	56	2	208	4	7	1	804
Service Shop And Market Sales Workers	4 155	37	462	17	14 459	128	386	48	19 692
Clerks	2 532	40	347	26	4 249	118	439	114	7 865
Senior Officials And Managers	43	1	10	5	35	5	9	5	113
Craft And Related Trade Workers	327	22	56	49	24	0	0	0	478
TOTAL	**15 609**	**249**	**2 433**	**553**	**43 208**	**857**	**4 262**	**954**	**68 125**
Employees with disabilities	***178***	***5***	***47***	***10***	***142***	***1***	***23***	***9***	***415***

Source: Vulindlela Annual Report (extracted on 03/05/2018)

Table 83: (3.6.2) Total number of employees in each of the following occupational bands as on 31 March 2018

Occupational Bands[85]	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	30	5	67	55	13	1	44	17	232
Senior Management	276	7	260	88	160	17	237	74	1 119
Professionally qualified and experienced specialists and mid-management	1 817	38	559	134	7 973	262	1 601	299	12 683
Skilled technical and academically qualified workers, junior management, supervisors, foreman	2 793	68	772	77	8 828	279	1 144	234	14 195
Semi-skilled and discretionary decision making	8 601	85	487	43	21 709	198	634	64	31 821
Unskilled and defined decision making	1 058	16	78	7	2 634	25	64	6	3 888
Not Available [86]	343	3	26	9	791	25	96	7	1 300

[85] Includes only temporary and permanent employees

[86] 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).

Occupational Bands[85]	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Contract (Top Management)	1	0	0	2	0	0	1	0	4
Contract (Senior Management	68	0	9	17	16	0	4	12	126
Contract (Professionally Qualified)	292	21	159	116	358	27	275	163	1 411
Contract (Skilled Technical)	164	3	14	4	382	14	134	71	786
Contract (Semi-Skilled)	161	3	2	1	337	9	28	7	548
Contract (Unskilled)	5	0	0	0	7	0	0	0	12
TOTAL	**15 609**	**249**	**2 433**	**553**	**43 208**	**857**	**4 262**	**954**	**68 125**

Source: Vulindlela Annual Report (extracted on 03/05/2018)

Table 84: (3.6.3) Recruitment: 01/04/2017 – 31/03/2018

Occupational Bands[87]	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	0	0	1	1	0	0	1	5
Senior Management	10	0	4	2	9	2	4	3	34
Professionally qualified and experienced specialists and mid-management, Permanent	265	7	69	44	287	14	85	35	806
Skilled technical and academically qualified workers, junior management, supervisors, foremen	215	4	25	9	446	10	46	6	761
Semi-skilled and discretionary decision making	75	2	8	2	173	5	10	1	276
Unskilled and defined decision making	17	0	3	0	22	0	2	0	44
Not Available	115	0	6	2	290	6	25	5	449
Contract (Top Management)	0	0	2	0	0	0	0	0	2
Contract (Senior Management)	7	0	1	1	1	0	3	2	15
Contract (Professionally qualified)	167	10	96	65	218	17	175	105	853
Contract (Skilled technical)	134	1	13	4	309	16	115	68	660
Contract (Semi-skilled)	163	3	1	0	334	7	39	8	555
Contract (Unskilled)	4	0	0	0	13	0	0	0	17
TOTAL	**1 174**	**27**	**228**	**130**	**2 103**	**77**	**504**	**234**	**4 477**
Employees with disabilities	***5***	***0***	***1***	***0***	***7***	***0***	***1***	***8***	***14***

Source: Vulindlela Annual Report (extracted on 03/05/2018)

[87] Includes only temporary and permanent employees

Table 85: (3.6.4) Promotions: 01/04/2017 – 31/03/2018

Occupational Bands[88]	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	13	1	32	34	7	2	26	11	126
Senior Management	184	5	187	58	119	16	185	51	805
Professionally qualified and experienced specialists and mid-management	841	20	280	55	3 947	129	929	161	6 362
Skilled technical and academically qualified workers, junior management, supervisors, foremen	1 415	45	462	40	4 311	143	618	126	7 160
Semi-skilled and discretionary decision making	6 106	61	324	22	13 364	132	411	36	20 456
Unskilled and defined decision making	690	13	24	7	1 329	10	13	3	2 089
Not Available [89]	4	0	1	0	9	0	1	0	15
Contract (Top Management)	1	0	0	0	0	0	1	0	2
Contract (Senior Management)	35	0	1	14	4	1	5	5	65
Contract (Professionally qualified)	27	2	8	12	20	1	17	7	94
Contract (Skilled technical)	5	0	0	0	11	0	1	1	18
Contract (Semi-skilled)	4	0	0	1	10	0	2	0	17
TOTAL	**9 325**	**147**	**1 319**	**243**	**23 131**	**434**	**2 209**	**401**	**37 209**
Employees with disabilities	**137**	**4**	**32**	**6**	**98**	**0**	**14**	***5***	***296***

Source: Vulindlela Annual Report (extracted on 03/05/2018)

Table 86: (3.6.5) Terminations: 01/04/2017 – 31/03/2018

Occupational Bands[90]	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	6	0	4	6	2	0	2	0	20
Senior Management	22	0	20	6	15	4	28	10	105
Professionally qualified and experienced specialists and mid-management	279	11	72	29	578	21	130	33	1 153
Skilled technical and academically qualified workers, junior management, supervisors, foremen	198	5	52	19	447	21	91	26	859

[88] Includes only temporary and permanent employees
[89] 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).
[90] Includes only temporary and permanent employees

Occupational Bands[90]	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Semi-skilled and discretionary decision making	348	2	41	3	596	6	30	6	1 032
Unskilled and defined decision making	60	0	5	0	140	0	7	3	215
Not Available [91]	219	1	6	2	431	10	50	7	726
Contract (Top Management)	1	0	1	1	0	0	0	0	3
Contract (Senior Management)	14	1	3	5	2	1	5	2	33
Contract (Professionally qualified)	133	16	98	110	229	14	145	126	871
Contract (Skilled technical)	198	3	20	6	510	27	135	78	977
Contract (Semi-skilled)	24	1	1	0	93	0	0	0	119
Contract (Unskilled)	4	0	0	0	4	0	0	0	8
TOTAL	**1 506**	**40**	**323**	**187**	**3 047**	**104**	**623**	**291**	**6 121**
Employees with disabilities	***7***	***1***	***2***	***0***	***12***	***1***	***2***	***1***	***26***

Source: Vulindlela Annual Report (extracted on 03/05/2018)

Table 87: (3.6.6) Disciplinary action[92]: 01/04/2017 – 31/03/2018

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Dismissal	16	0	3	0	7	0	0	0	26
Final Written Warning	12	1	4	1	12	0	2	0	32
No Outcome	6	0	0	0	2	0	0	0	8
Suspended Without Payment	21	0	0	1	9	0	1	0	32
Written Warning	6	0	1	0	5	0	0	0	12
TOTAL	**61**	**1**	**8**	**2**	**35**	**0**	**3**	**0**	**110**

Source: Director: Labour Relations

Table 88: (3.6.7) Skills development: 01/04/2017 – 31/03/2018

Occupational categories	Male					Female					Total
	African	Coloured	Indian	White	Total Male	African	Coloured	Indian	White	Total Female	
Clerical Support Workers	248	6	41	72	367	459	17	56	38	570	937

[91] Please refer to comment 15 on Table 79.
[92] Only includes formal disciplinary action

Occupational categories	Male					Female					Total
	African	Coloured	Indian	White	Total Male	African	Coloured	Indian	White	Total Female	
Elementary Occupations	1 710	27	120	238	2 095	7 257	253	484	174	8 168	10 263
Managers	1 876	19	497	114	2 506	2 256	44	112	33	2 445	4951
Plant and Machine Operators and Assemblers	559	4	10	33	606	901	16	42	42	1001	1 607
Professionals	128	5	7	27	167	392	11	6	25	434	601
Service and Sales Workers	27	5	3	4	39	18	0	0	5	23	62
Skilled Agricultural, Forestry, Fishery, Craft and Related Trades Workers	16	0	0	6	22	13	1	1	9	24	46
Technicians and Associate Professionals	77	0	0	0	77	115	0	1	0	116	193
Total	**4 641**	**66**	**678**	**494**	**5879**	**11 411**	**342**	**702**	**326**	**12 781**	**18 660**

Source: Director: HRD

Signing of Performance Agreements by SMS Members

Table 89: (3.7.1) Signing of Performance Agreements by SMS members as on 31 May 2017

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[93]	1	1	1	100%
Salary level 15	5	5	5	100%
Salary level 14	15	15	15	100%
Salary level 13	60	60	60	100%
Total	**82**	**82**	**82**	**100%**

Source: Director: HRD

Table 90: (3.7.2) Reasons for not having concluded Performance Agreements for all SMS members as on 31 May 2018

Reasons
100% Compliance.

Source: Director: HRD

[93]This Level 16 post is occupied by the MEC for Health – The MEC's Performance Agreement is managed by the Office of the Premier.

Table 91: (3.7.3) Disciplinary steps taken against SMS members for not having concluded Performance Agreements as on 31 May 2017

Disciplinary steps taken
100% Compliance.

Source: Director: HRD

Performance Rewards

Table 92: (3.8.1) Performance rewards by race, gender, and disability: 01/04/2017 – 31/03/2018

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	0	43 066	0	0	0
African, Male	1	15 431	0	5	4 997
Asian, Female	0	4 239	0	0	0
Asian, Male	0	2 386	0	0	0
Coloured, Female	0	856	0	0	0
Coloured, Male	0	244	0	0	0
Total Blacks, Female	0	48 161	0	0	0
Total Blacks, Male	1	18 061	0	5	4 997
White, Female	0	945	0	0	0
White, Male	0	543	0	0	0
Employees with a disability	0	415	0	0	0
Total	**1**[94]	**68 125**	**0**	**5**	**4 997**

Source: Vulindlela Annual Report (extracted on 03/05/2018)

Table 93: (3.8.2) Performance Rewards by salary band for personnel below SMS: 01/04/2017 – 31/03/2018

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	3 888	0	0	0
Skilled (Levels 3-5)	0	31 820	0	0	0
Highly Skilled Production (Levels 6-8)	0	14 187	0	0	0
Highly Skilled Supervision (Levels 9-12)	1	12 675	0	5	4 997
Other	0	1 300	0	0	0
Contract (Levels 1-2)	0	12	0	0	0
Contract (Levels 3-5)	0	548	0	0	0

[94] 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 was transferred into the Department and the Department had to pay the performance bonus on behalf of the releasing Department (North West Province) as they no longer have access to the employee salary records on Persal due to the transfer.

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)
Contract (Levels 6-8)	0	786	0	0	0
Contract (Levels 9-12)	0	1411	0	0	0
TOTAL	**1**	**66 627**	**0**	**5**	**4 997**

Source: Vulindlela Annual Report (extracted on 03/05/2018)

Table 94: (3.8.3) Performance Rewards by critical occupations: 01/04/2017 – 31/03/2018

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	359	0	0	0
Ambulance And Related Workers	0	2 757	0	0	0
Dental Practitioners	0	146	0	0	0
Dieticians And Nutritionists	0	204	0	0	0
Emergency Services Related	0	48	0	0	0
Engineering Sciences Related	0	1	0	0	0
Engineers And Related Professionals	0	38	0	0	0
Environmental Health	0	88	0	0	0
Medical Practitioners	0	3 516	0	0	0
Medical Research And Related Professionals	0	115	0	0	0
Medical Specialists	0	764	0	0	0
Medical Technicians/Technologists	0	161	0	0	0
Occupational Therapy	0	196	0	0	0
Oral Hygiene	0	33	0	0	0
Pharmacists	0	851	0	0	0
Physicists	0	5	0	0	0
Physiotherapy	0	329	0	0	0
Professional Nurse	0	17 088	0	0	0
Psychologists And Vocational Counsellors	0	83	0	0	0
Radiography	0	606	0	0	0
Social Work And Related Professionals	0	270	0	0	0
Speech Therapy And Audiology	0	164	0	0	0
TOTAL	**0**	**27 822**	**0**	**0**	**0**

Source: Vulindlela Annual Report (extracted on 03/05/2018)

Table 95: (3.8.4) Performance related rewards (cash bonus), by salary band for SMS: 01/04/2017 – 31/03/2018

Salary band [95]	Beneficiary Profile			Total Cost (R'000)	Average cost per employee (R)	% of SMS Wage Bill
	Number of beneficiaries	Number of employees	% of total within band			
Band A	0	960	65.04%	0.00	0.00	0.00
Band B	0	280	18.97%	0.00	0.00	0.00
Band C	0	197	13.35%	0.00	0.00	0.00
Band D	0	39	2.64%	0.00	0.00	0.00
Total	**0**	**1476**	**100%**	**0.00**	**0.00**	**0.00**

Source: Vulindlela Annual Report (extracted on 03/05/2018)

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 96: (3.9.1) Foreign Workers by salary band: 01/04/2017 – 31/03/2018

Salary Band	Employment at Beginning of Period	Percentage of Total at Beginning of Period	Employment at End of Period	Percentage of Total at End of Period	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Highly skilled production (Levels 6-8)	39	6.3%	45	8.5%	6	- 7.1%	616	531	- 85
Highly skilled supervision (Levels 9-12)	301	48.9%	223	42%	- 78	91.8%	616	531	- 85
Lower skilled (Levels 1-2)	1	0.2%	1	0.2%	0	0%	616	531	- 85
Other	3	0.5%	2	0.4%	- 1	1.2%	616	531	- 85
Senior management (Levels 13-16)	260	42.2%	250	47.1%	- 10	11.8%	616	531	- 85
Skilled (Levels 3-5)	12	1.9%	10	1.9%	- 2	2.4%	616	531	- 85
TOTAL	**616**	**100%**	**531**	**100%**	**- 85**	**100%**	**616**	**531**	**- 85**

Source: Vulindlela Annual Report (extracted on 03/05/2018)

[95] The actual number of SMS employees is 85. 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

Table 97: (3.9.2) Foreign Workers by major occupation: 01/04/2017 – 31/03/2018

Major Occupational Class	Employment at Beginning of Period	Percentage of Total at Beginning of Period	Employment at End of Period	Percentage of Total at End of Period	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Administrative Office Workers	5	0.8%	5	0.9%	0	0	616	531	- 85
Craft And Related Trades Workers	1	0.2%	1	0.2%	0	0	616	531	- 85
Elementary Occupations	2	0.3%	2	0.4%	0	0	616	531	- 85
Professionals And Managers	605	98.2%	520	97.9%	- 85	100	616	531	- 85
Social Natural Technical And Medical Sciences + Supplementary	3	0.5%	3	0.6%	0	0	616	531	- 85
TOTAL	**616**	**100%**	**531**	**100%**	**- 85**	**100**	**616**	**531**	**- 85**

Source: Vulindlela Annual Report (extracted on 03/05/2018)

Leave Utilisation

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 98: (3.10.1) Sick leave: 1 January 2017 - 31 December 2017

Salary Band	Total days	% days with medical certification[96]	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)	133	65	39	0.1%	3	R 70	87
Contract (Levels 13-16)	470	66	90	0.2%	5	R 1 868	312
Contract (Levels 3-5)	1 939	70	463	0.8%	4	R 1 132	1 353
Contract (Levels 6-8)	4 261	68	810	1.5%	5.	R 4 620	2 907
Contract (Levels 9-12)	4 542	62	1 003	1.8%	5	R 9 083	2 795
Contract Other	2 968	70	815	1.5%	4	R 652	2 068
Highly skilled production (Levels 6-8)	99 492	84	12 374	22.4%	8	R 122 647	83 226
Highly skilled supervision (Levels 9-12)	85 850	82	10 045	18.2%	9	R 191 656	70 722
Lower skilled (Levels 1-2)	25 119	85	3 461	6.3%	7	R 12 941	21 367
Other	142	86	49	0.1%	3	R 59	122
Senior management (Levels 13-16)[97]	5 777	70	872	1.6%	7	R 24 653	4 038

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

[97] The actual number of SMS employees is 85. 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

Salary Band	Total days	% days with medical certification[96]	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
Skilled (Levels 3-5)	201623	84	25 243	45.7%	8	R 148 894	168 958
TOTAL	**432316**	**83**	**55 264**	**100%**	**8**	**R 518 276**	**357 955**

Source: Vulindlela Annual Report (extracted on 03/05/2018)

Table 99: (3.10.2) Disability leave (temporary and permanent): 1 January 2017 - 31 December 2017

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)	36	100%	2	0.1%	18	R 140
Contract (Levels 3-5)	30	100%	4	0.2%	8	R 17
Contract (Levels 6-8)	61	98.4%	7	0.3%	9	R 68
Contract (Levels 9-12)	107	100%	9	0.4%	12	R 209
Contract Other	17	100%	1	0%	17	R 5
Highly skilled production (Levels 6-8)	16 298	99.4%	471	22.4%	35	R 19 669
Highly skilled supervision (Levels 9-12)	12 881	100%	382	18.1%	34	R 28 667
Lower skilled (Levels 1-2)	4 261	100%	158	7.5%	27	R 2 217
Senior management (Levels 13-16)[98]	1 736	100%	28	1.3%	62	R 6 991
Skilled (Levels 3-5)	29 418	99.9%	1 043	49.5%	28	R 21 478
TOTAL	**64 845**	**99.80**	**2 105**	**100%**	**31**	**R 79 461**

Source: Vulindlela Annual Report (extracted on 03/05/2018)

Table 100: (3.10.3) Annual leave: 1 January 2017 - 31 December 2017

Salary bands	Total days taken	Number of employees using annual leave	Average per employee
Contract (Levels 1-2)	395	47	8
Contract (Levels 13-16)	2 950	155	19
Contract (Levels 3-5)	5 118.92	524	10
Contract (Levels 6-8)	15 378.76	1 009	15
Contract (Levels 9-12)	24 504.68	1 511	16
Contract Other	26 101.88	1 612	16
Highly skilled production (Levels 6-8)	365 260.97	15 84	24

[98] The actual number of SMS employees is 85. 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

Salary bands	Total days taken	Number of employees using annual leave	Average per employee
Highly skilled supervision (Levels 9-12)	316 871.77	12 521	25
Lower skilled (Levels 1-2)	113 633.18	5 476	21
Other	672.00	109	6
Senior management (Levels 13-16)	33 953.00	1 445	23
Skilled (Levels 3-5)	761 742.11	32 539	23
TOTAL	**1 666 582.27**	**72 432**	**23**

Source: Vulindlela Annual Report (extracted on 03/05/2018)

Table 101: (3.10.4) Capped leave: 1 January 2017 - 31 December 2017

Salary Band	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at end of period	Number of Employees who took Capped leave	Total number of capped leave available at end of period	Number of Employees as at end of period
Contract (Levels 1-2)	0	0	0	0	0	0
Contract (Levels 13-16)	0	0	13	0	107.44	8
Contract (Levels 3-5)	0	0	0	0	0	0
Contract (Levels 6-8)	0	0	0	0	0	0
Contract (Levels 9-12)	0	0	0	0	0	0
Contract Other	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	1 483.79	6	50	240	156 606.17	3 135
Highly skilled supervision (Levels 9-12)	1 245	5	56	233	188 213.18	3 332
Lower skilled (Levels 1-2)	106.25	5	21	21	9 405.33	454
Other	0	0	0	0	0	0
Senior management (Levels 13-16)	181.15	7	41	26	10 944.81	265
Skilled (Levels 3-5)	1 329.77	6	44	211	175 695.34	4 028
TOTAL	**4 345.96**	**6**	**48**	**731**	**540 972.27**	**11 222**

Source: Vulindlela Annual Report (extracted on 03/05/2018)

Table 102: (3.10.5) Leave pay-outs: 01/04/2017 – 31/03/2018

Reason	Total Amount (R'000)	Number of Employees	Average payment per employee
Capped leave pay-outs on termination of service for current financial year	115 222	2382	48 372
Current leave pay-out on termination of service for current financial year	1 210	71	17 042

Reason	Total Amount (R'000)	Number of Employees	Average payment per employee
Leave pay-out for current financial year due to non-utilisation of leave for the previous cycle [99]	54	1	54 000
Total	**116 486**	**2454**	**47 468**

Source: Vulindlela Annual Report (extracted on 03/05/2018)

HIV, AIDS and Health Promotion Programmes

Table 103: (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	Health education
Married couples –not staying together–for some other reasons e.g. employment/on separation.	Conducting wellness activities in institutions, for health promotion.
Drugs/Alcohol abusers	Incidents/100 reporting & investigations.
Vulnerable groups e.g. on divorce process/widow/widower/elderly.	Monitor implementation of COID Act regarding occupational diseases & injuries.
Employees at risk of being raped e.g. night shift staff/staff in wards where prisoners are admitted.	Monitor implementation of OHS Act.
Single parents-staying alone.	Follow up on appointment & functional Institutional Safety Committees.
Front-Line /OPD/Casualty/Crisis Centre/CDC & Medical, Maternity Wards and Theatre employees.	Provision of EAP services and referrals accordingly
Tracer & injection teams /Family Health Teams/CCG's/School Health Teams.	Implementation of HIV and AIDS policies
Staff diagnosed with TB.	

Source: Director: EHW

Table 104: (3.11.2) Details of health promotion and HIV and AIDS Programmes

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes		D.D.Dumisa Director : Employee Health and Wellness (EHW)
2. Does the department have a	Yes		EHW units composed of Occupational Health Nurses, Safety officers and EAPs in our

[99] This is for a case where this benefit was paid as part of an arbitration award against the Department.

Question	Yes	No	Details, if yes
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.			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 Organizational wellness
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(s): EHW (Chairperson)** D. D. Dumisa **Members of the Committee** M. Killeen –Ugu District V. VanWesthuizen – Umzinyathi District N.Mgaga – Amajuba District Z.M.Ndwandwe – Ugu District B. Thusi – iLembe District L. Hutchinson –uMgungundlovu N.P. Fihlela - EHW A. Mahlobo – Zululand District T.G.Ntshingila/Representative –uMgungundlovu D.R. Mhlanga –K. Cetshwayo P.S. Mabaso (Gamede) –Ethekwini N.Mdluli- Umkhanyakude L. Mdubeki –Harry Gwala District Z.Dladla –Harry Gwala District C.H.Hadebe-Uthukela District C. Khumalo –K.Cetshwayo N.Bhengu – eThekwini District R. Phahla – iLembe District
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		Management of HIV and AIDS, TB and STIs in the workplace
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

Question	Yes	No	Details, if yes
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	Yes		Results for 2017/18 financial year: 12975 staff pre-test counselled 5586 staff tested 321 staff tested positive
8. Has the department developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so, list these measures/indicators.	Yes		**Data Element Name**
			Eligible staff initiated on ART
			Staff diagnosed with MDR TB
			Staff diagnosed with TB - new
			Staff diagnosed with XDR TB
			Staff injury on duty (excluding needle sticks - blood splashes - human bites - assault)
			Staff pre-test counselled
			Staff screened for TB
			Staff tested HIV positive screened for TB
			Staff tested for HIV
			Staff tested Staff with fluid splashes - new positive for HIV
			TB diagnosed staff tested for HIV
			TB staff with a DOTS supporter
			TB/HIV co-infected staff initiated on ART
			Total HIV Positive Staff seen in the Occupational Health Clinic
			Total staff on ART treatment
			Total staff who died while on 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
			TB suspects - Staff
			Total Needle Stick Injuries - New

Source: Director: EHW

Labour Relations

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

Table 105: (3.12.1) Collective agreements: 01/04/2017 – 31/03/2018

Total Number of Collective Agreements	Nil

Source: Director: Labour Relations

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

Table 106: (3.12.2) Misconduct and disciplinary hearings finalised: 01/04/2017 – 31/03/2018

Outcomes of disciplinary hearings	Number	% of total
Dismissal	30	26.32%
Final Written Warning	32	28.07%
No Outcome	8	7.02%
Suspended Without Payment	32	28.07%
Written Warning	12	10.53%
TOTAL	**114**	**100%**

Source: Director: Labour Relations: Extracted from FOSAD & OTP 2017/2018 Reports

Table 107: (3.12.3) Types of misconduct addressed at disciplinary hearings: 01/04/2017 – 31/03/2018

Type of misconduct	Number	% of total
Absent From Work Without Reason Or Permission	31	22.14%
Assault/Attempts Or Threatens To Assault A Person	6	4.29%
Conduct Self In Improper/Unacceptable Manner	18	12.86%
Contravenes Any Code Of Conduct For State	3	2.14%
Damage/Cause Loss To State Property(Edu)	1	0.71%
Damages and/or Causes Loss Of State Property	2	1.43%
Discriminates Against Others	2	1.43%
Disrespect/Abusive Or Insolent Behaviour	1	0.71%
Endangers Lives By Disregarding Safety Rules	4	2.86%
Fails To Carry Out Order Or Instruction	11	7.86%
Fails To Comply With Or Contravenes An Act	7	5%
Falsifies Records Or Any Documents	4	2.86%
Improper/Unacceptable Conduct(Edu)	1	0.71%
Intimidates/Victimise Others	2	1.43%
Misuse Of Property	13	9.29%
Performs Poorly For Reasons Other Than Incapacity	1	0.71%
Possesses Or Wrongfully Uses Property Of State	3	2.14%
Prejudices Administration Of Organisation Or Dept.	2	1.43%
Remunerative Work Outside The Dept. Without Approval	1	0.71%
Steals Bribes Or Commits Fraud	17	12.14%
Under Influence Of Habit-Forming/Stupefying Drug	2	1.43%
Under Influence Of Intoxicating Substance	6	4.29%
Wilfully Or Negligently Mismanages Finances	2	1.43%
TOTAL	**140**	**100%**

Source: Vulindlela Annual Report (extracted on 03/05/2018) and Director: Labour Relations

Table 108: (3.12.4) Grievances logged: 01/04/2017 – 31/03/2018

Grievances	Number	% of Total
Not resolved/Outstanding/Pending	184	49.07%
Resolved	191	50.93%
TOTAL	375	100%

Source: Director: Labour Relations

Table 109: (3.12.5) Disputes logged with Councils: 01/04/2017 – 31/03/2018

Disputes	Number	% of Total
Number of disputes upheld	62	24.12%
Number of disputes dismissed	21	8.17%
Outstanding/ Pending	174	67.7%
Total Number of disputes	**257**	**100%**

Source: Director: Labour Relations

Table 110: (3.12.6) Strike actions: 01/04/2017 – 31/03/2018

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

Source: Director: Labour Relations

Table 111: (3.12.7) Precautionary suspensions: 01/04/2017 – 31/03/2018

Number of people suspended	
Number of people suspended	32
Number of people whose suspension exceeded 30 days	27
Average number of days suspended[100]	81.63
Cost of suspensions	R 2 566 581

Source: Director: Labour Relations

Skills Development

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

[100] Calculated as 2612 total days suspensions divided by 32 employees suspended.

Table 112: (3.13.1) Training needs identified: 01/04/2017 – 31/03/2018

Occupational category	Gender	Number of employees as at 1 April 2017	Training needs identified at start of reporting period			
			Learner-ships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, Senior Officials And Managers	Female	988	0	482	25	507
	Male	871	0	421	9	430
Professionals	Female	13 911	0	6 453	1 631	8 084
	Male	9 487	0	3 077	958	4 035
Technicians And Associate Professionals	Female	9 690	0	1 818	1 082	2 900
	Male	8 294	0	839	343	1 182
Clerks	Female	3 411	0	1 332	472	1 804
	Male	3 391	0	918	468	1 386
Service And Sales Workers	Female	5 725	0	1 479	176	1 655
	Male	5 878	0	1350	85	1 435
Skilled Agriculture And Fishery Workers, Craft And Related Trades Workers	Female	76	0	15	10	25
	Male	382	0	107	22	129
Plant And Machine Operators And Assemblers	Female	285	0	209	20	229
	Male	817	0	368	12	380
Elementary Occupations	Female	560	0	203	14	217
	Male	1 036	0	436	31	467
Sub Total	**Female**	**34 646**	0	**11 991**	**3 430**	**15 421**
	Male	**30 156**	0	**7 516**	**1 928**	**9 444**
Total			0	**19 507**	**5 358**	**24 865**

Source: Director: HRD

Table 113: (3.13.2) Training provided: 01/04/2017 – 31/03/2018

Occupational Category	Gender	Number of employees as at 1 April 2017	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, Senior Officials And Managers	Female	988	0	558	12	570
	Male	871	0	361	6	367
Professionals	Female	13 911	0	6 971	1 197	8 168
	Male	9 487	0	1 530	565	2 095
Technicians And Associate Professionals	Female	9 690	0	2 035	410	2 445
	Male	8 294	0	2 314	192	2 506
Clerks	Female	3 411	0	949	52	1 001

Occupational Category	Gender	Number of employees as at 1 April 2017	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
	Male	3 391	0	564	42	606
Service And Sales Workers	Female	5 725	0	411	23	434
	Male	5 878	0	161	6	167
Skilled Agriculture And Fishery Workers, Craft And Related Trades Workers	Female	76	0	21	2	23
	Male	382	0	38	1	39
Plant And Machine Operators And Assemblers	Female	285	0	19	5	24
	Male	817	0	19	3	22
Elementary Occupations	Female	560	0	105	11	116
	Male	1 036	0	53	24	77
Sub Total	**Female**	**34 646**	0	**11 069**	**1 712**	**12 781**
	Male	**30 156**	0	**5 040**	**839**	**5 879**
Total			**0**	**16 109**	**2 551**	**18 660**

Source: Director: HRD

Injury on Duty

Table 3.14.1 provide basic information on injury on duty.

Table 114: (3.14.1) Injury on duty: 01/04/2017 – 31/03/2018

Nature of injury on duty	Number	% of total
Required basic medical attention only	1 596	92.30%
Temporary total disablement	130	7.52%
Permanent disablement	2	0.12%
Fatal	1	0.06%
Total	**1 728**	**100%**

Source: Deputy Director: Service Conditions

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 115: (3.15.1a) Report on Consultant appointments using appropriated funds: 01/04/2017 – 31/03/2018

Project Title	Total number of Consultants that worked on project	Duration – Work days	Contract value in Rand
Nil	0	0	0

Table 116: (3.15.1b) Report on Consultant appointments using appropriated funds: 01/04/2017 – 31/03/2018

Total number of projects	Total individual Consultants	Total duration – Work days	Total contract value in Rand
0	0	0	0
TOTAL			

Table 117: (3.15.2 – 3.15.4) Analysis of Consultant appointments using appropriated and Donor Funds: 01/04/2017 – 31/03/2018

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that worked on the project
Nil	0	0	0

Severance Packages

Table 118: (3.16.1) Granting of employee initiated severance packages: 01/04/2017 – 31/03/2018

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

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
Senior Management Service Band A	0	0	0	0
Senior Management Service Band B	0	0	0	0
Senior Management Service Band C	0	0	0	0
Senior Management Service Band D	0	0	0	0
Other	0	0	0	0
Contract (Levels 1-2)	0	0	0	0
Contract (Levels 3-5)	0	0	0	0
Contract (Levels 6-8)	0	0	0	0
Contract (Levels 9-12)	0	0	0	0
Contract Band A	0	0	0	0
Contract Band B	0	0	0	0
Contract Band C	0	0	0	0
17 Contract Band D	0	0	0	0
TOTAL	**0**	**0**	**0**	**0**

Source: Vulindlela Annual Report (extracted on 03/05/2018)

PART E: ANNUAL FINANCIAL STATEMENTS

Department of Health

Audit report for the year ending 31 March 2018

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 264 to 350, which comprise the appropriation statement, the statement of financial position as at 31 March 2018, 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 auditor's report, the financial statements present fairly, in all material respects, the financial position of the Department of Health as at 31 March 2018, and its financial performance and its cash flows for the year then ended in accordance with the 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, 2017 (Act No. 3 of 2017) (Dora).

Basis for qualified opinion

Irregular expenditure

3. The department did not fully record irregular expenditure in the notes to the financial statements, as required by section 40(3)(i) of the PFMA. This resulted because adequate systems of internal control for the recording of transactions and the awarding of contracts were not in place. Consequently, I was unable to determine the full extent of the irregular expenditure stated at R8,96 billion (2017: R7,49 billion) in note 26 to the financial statements.

Movable tangible capital assets

4. I was unable to obtain sufficient appropriate audit evidence that management had properly valued and fully recorded movable tangible capital assets and minor assets disclosed in note 32 to the financial statements. 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 R4,12 billion (2017: R3,76 billion) and minor assets stated at R927,55 million (2017: R731,90 million) in note 32 to the financial statements was necessary.

Capital work-in-progress

5. I was unable to obtain sufficient appropriate audit evidence that management had properly valued and fully recorded capital work-in-progress disclosed in note 33 to the financial statements. The department did not properly record capital work-in-progress, as required by the MCS, chapter 11, capital assets. I was unable to confirm the work-in-progress by alternative means. Consequently, I was unable to determine whether any adjustment relating to work- in- progress stated at R2,83 billion 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 R984,89 million (2017: R946,34 million), included in compensative/circumstantial payments, disclosed in note 4 to the financial statements. I was unable to confirm commuted overtime allowances by alternative means. Consequently, I was unable to determine whether any adjustment to commuted overtime allowances was necessary.

Commitments

7. The department did not properly recorded commitments, as required by the MCS, chapter 14, provisions and contingents due to inadequate systems and processes to record this disclosure. I was unable to determine the full extent of the misstatement as it was impractical to do so. Consequently, commitments stated at R1,41 billion in note 21 to the financial statements was misstated by an unquantifiable amount.

Accruals and payables not recognised

8. The department did not properly record accruals and payables not recognised, as required by the MCS, chapter 9, general departmental assets and liabilities due to inadequate systems and processes to record this disclosure. I was unable to determine the full extent of the misstatement as it was impractical to do so. Consequently, accruals stated at R332,62 million and payables not recognised stated at R568,48 million in note 22 to the financial statements were misstated by an unquantifiable amount.

Context for the opinion

9. 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 this auditor's report.

10. 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.

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

Emphasis of matters

12. I draw attention to the matters below.

Uncertainty relating to the future outcome of litigation

13. The department is the defendant in lawsuits relating to medical negligence and claims against the state totalling R17,56 billion, as disclosed on note 20 to the financial statements. The ultimate outcome of these matters cannot presently be determined and no provision for any liability that may result was made in the financial statements.

Restatement of corresponding figures

14. As disclosed in note 34 to the financial statements, the corresponding figures for 31 March 2017 in respect of contingent liabilities have been restated as a result of an error in the financial statements of the department at, and for the year ended, 31 March 2018.

Transfer of trading entity into programme 7: health support services

15. As disclosed in note 28 to the financial statements, the department will incorporate the Provincial Pharmaceutical Supply Depot trading entity under programme 7: health support services with effect from 1 April 2018. This is subject to the approval by the National Treasury and the accounting officer is currently awaiting the outcome thereof. The impact will be only a single set of financial statements incorporating the functions of the trading entity.

Other matter

16. I draw attention to the matter below.

Unaudited supplementary schedules

17. The supplementary information set out on pages 351 to 382 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

18. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS and the requirements of the PFMA and 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.

19. In preparing the financial statements, the accounting officer is responsible for assessing the Department of Health'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 the accounting officer either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

20. 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 the 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.

21. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

22. 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.

23. My procedures address the reported performance information, which must be based on the approved performance planning documents of the department. 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.

24. 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 2018:

Programmes	Pages in the annual performance report
Programme 2 – District health services	97 – 144
Programme 4 – Provincial hospital (regional and specialised)	156 – 169

25. 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.

26. The material findings in respect of the usefulness and reliability of the selected programmes are as follows:

Programme 2 – District health services

Various indicators

27. I was unable to obtain sufficient appropriate audit evidence for the reported achievements of seven of the 43 material indicators relating to this programme. This was due to limitations placed on the scope of my work. I was unable to confirm the reported achievements by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievements in the annual performance report for the indicators listed below:

Indicator number	Indicator description	Number of indicators
4.1	Antenatal 1st visit before 20 weeks rate	1
4.3	Infant 1st PCR test positive around 10 weeks	1
4.4	Immunisation coverage under 1 year	1
4.5	Measles 2nd dose coverage	1
4.6	DTaP-IPV/Hib 3 – Measles 1st dose drop-out rate	1
4.13	Couple year protection rate	1
4.15	Infant exclusively breastfed at DTaP-IPV-Hib-HBV 3rd dose rate	1

Various indicators

28. The reported achievements of the following indicators are not reliable as the department did not have an adequate performance management system to maintain records to enable reliable reporting on achievement of targets. As a result, I was unable to obtain sufficient appropriate audit evidence in some instances while, in other cases, the supporting evidence provided did not agree to the reported achievement. Therefore, I

was unable to further confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any further adjustments were required to the reported achievement:

Indicator description	Planned target	Reported achievement
Mother postnatal visit within 6 days rate	70,1%	76.8%
Neonatal death in facility rate	11.7 / 1000	12.4 / 1000
Cervical cancer screening coverage 30 years and older	75%	79,4%
Child under 5 years diarrhoea case fatality rate	2,1%	2,0%
Child under 5 years pneumonia case fatality rate	2,6%	2,5%
Child under 5 years severe acute malnutrition case fatality rate	7,4%	7,7%
School Grade 1 screening coverage	67 966	56 372
HPV 1st dose coverage	84 150	37 754
HPV 2nd dose coverage	84 150	70 224
TB client treatment success rate	87%	86,6%
TB Client lost to follow up rate	3,5%	4,9%
TB Client death rate	2,9%	3,2%
TB/HIV co-infected client on ART rate	90%	89,8%
Number of medical male circumcisions performed	847 064	985 013
TB MDR treatment success rate	61,9%	57,4%
Inpatient bed utilisation rate	66,8%	57,2%
Complaints resolution rate (PHC)	88,5%	89,8%
Complaints resolution within 25 working days rate (PHC)	95%	94,7%
Cataract surgery rate (annualised)	705/ 1mil	1 033.8 / 1 mil
Outreach household registration visit coverage	40%	25,6%
TB client 5 years and older start on treatment rate	99,3%	106,8%

Hospital achieved 75% and more on the national core standard self-assessment rate (district hospital)

29. The achievement for the target: hospital achieved 75% and more on the national core standard self-assessment rate (district hospital) was reported in the annual performance report as 81,8%. However, the supporting evidence provided did not agree to the reported achievement and indicated an achievement of 109,1%, leading to unexplained difference.

Programme 4 – Provincial hospital (regional and specialised)

Various indicators

30. The department did not have an adequate record keeping system to enable reliable reporting on achievement of the indicators listed below. As a result, I was unable to obtain sufficient appropriate audit evidence in some instances, while, in other cases, the supporting evidence provided did not agree to the reported achievements. Based on the supporting evidence that was provided, the achievement of these indicators was different to the reported achievement in the annual performance report. I was also unable to further confirm the reported achievements by alternative means. Consequently, I was unable to determine whether any further adjustments were required to the reported achievements of the indicators listed below.

Indicator description	Planned target	Reported achievement
Expenditure per patient day equivalent (PDE)	R2 881	R3 030
Complaints resolution rate (Regional hospital)	82%	82,9%
Complaints resolution within 25 working days rate (Regional hospital)	98%	94,2%
Complaints resolution rate (Specialised Psychiatric hospital)	95%	43,6%
Hospital achieved 75%and more on National Core Standard self-assessment rate (Specialised Chronic hospital)	50%	100%

Other matters

31. I draw attention to the matters below.

Achievement of planned targets

32. The annual performance report on pages 82 to 199 contains information on the achievement of planned targets for the year and explanations are also provided for the under/overachievement of a significant number of targets. This information should be

considered in the context of the material findings on the reliability of the reported performance information in paragraphs 27 to 30 of this report.

Adjustment of material misstatements

33. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of district health services and provincial hospital (regional and specialised) programmes. I raised material findings on the reliability of the reported performance information as management subsequently corrected only some of the misstatements. Those that could not be corrected are reported above.

Report on the audit of compliance with legislation

Introduction and scope

34. 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.

35. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements

36. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 40(1) (b) of the PFMA. Material misstatements of contingent liabilities and provisions identified by the auditors in the submitted financial statements were corrected; however, the remaining uncorrected material misstatements referred to in paragraphs 3 to 8 resulted in the financial statements receiving a qualified opinion.

Procurement and contract management

37. Sufficient appropriate audit evidence could not be obtained for some contracts and quotations to support that they were awarded in accordance with the legislative requirements, as there is an inadequate records management system. Similar limitations were also reported in the prior year.

38. Sufficient appropriate audit evidence could not be obtained for some contracts to support that invitations for competitive bidding were advertised for a required minimum period, as required by treasury regulation 16A6.3(c). Similar non-compliance was also reported in the prior year.

39. Sufficient appropriate audit evidence could not be obtained that some goods and services of a transaction value above R500 000 were procured by means of inviting

competitive bids and through approval of deviations by the accounting officer where it was impractical to invite competitive bids, as required by treasury regulations 16A6.1.

40. Some of the goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by treasury regulation 16A6.1. Similar non-compliance was reported in the previous year.

41. Some of the quotations were accepted from prospective suppliers who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by treasury regulation 16A8.3.

42. Sufficient appropriate audit evidence could not be obtained for some contracts to support that they were awarded only to bidders who submitted a declaration on whether they are employed by the state or connected to any person employed by the state, as required by treasury regulation 16A8.3.

43. Sufficient appropriate audit evidence could not be obtained for some contracts to support that bid adjudication was done by committees which were composed in accordance with the policies of the department, as required by treasury regulation 16A6.2 (a), (b) and (c).

44. Sufficient appropriate audit evidence could not be obtained for some quotations to support that they were awarded to suppliers whose tax matters have been declared by the South African Revenue Services to be in order, as required by treasury regulation 16A9.1(d).

45. Sufficient appropriate audit evidence could not be obtained that some contracts and quotations were awarded to bidders based on points given for criteria that were stipulated in the original invitation for bidding and quotations, as required by treasury regulation 16A6.3(a).

46. Contracts were extended or modified without the approval of a properly delegated official, as required by section 44 of the PFMA and treasury regulation 8.2.1 and 8.2.2.

47. 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 section 8(5) of the Preferential Procurement Regulation, 2017 (PPR). Similar non-compliance was also reported in the prior year.

48. Commodities designated for local content and production were procured from suppliers who did not submit a declaration on local production and content, as required by the PPR.

49. The preference point system was not applied for some of the procurement of goods and services above R30 000 as required by section 2(a) of the Preferential Procurement Policy Framework Act No. 5 of 2000 (PPPF) and treasury regulation 16A6.3(b). Similar non-compliance was also reported in the prior year.

50. Some contracts and quotations were awarded to bidders based on preference points that were not allocated or calculated in accordance with the requirements of the PPPF and its regulations. Similar non-compliance was also reported in the prior year.

51. Sufficient appropriate audit evidence could not be obtained for some contracts and quotations to support that they were awarded to bidders that scored the highest points in the evaluation process as required by section 2(1)(f) of the PPPF and its regulations.

Expenditure management

52. Effective steps were not taken to prevent irregular expenditure, as disclosed in note 26 of the financial statements, in contravention of 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. The majority of the irregular expenditure disclosed in the financial statements was caused by the continued use of expired contracts.

53. Some payments were not made within 30 days or an agreed period after receipt of an invoice, as required by treasury regulation 8.2.3.

Consequence management

54. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred unauthorised, irregular and fruitless and wasteful expenditure, as required by section 38(1)(h)(iii) of the PFMA. This was due to the department not maintaining proper and complete records as evidence to support the investigations into unauthorised, irregular, and fruitless and wasteful expenditure.

Other information

55. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.

56. 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.

57. 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.

58. The other information I obtained prior to the date of this auditor's report is the MEC's foreword and the accounting officer's report. The audit committee's report is expected to be made available to me after 31 July 2018.

59. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.

60. After I receive and read the audit committee's report, and if I conclude that there is a material misstatement, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue and amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

61. 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 on it.

62. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.

Leadership

63. Leadership did not exercise effective oversight and monitoring over the consistent application of policies and procedures, implementation and monitoring of action plans and related internal controls to achieve reliable and credible financial and performance reporting as well as compliance with applicable legislation.

Financial and performance management

64. Management failed to implement a proper document management and record-keeping system to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting, including compliance with legislation.

65. Management did not implement adequate review processes over financial and performance reporting and related supporting documents. Material misstatements identified in the submitted financial statements and annual performance report was due to poor implementation of internal controls, slow response to action plans as well as lack of resources in certain areas.

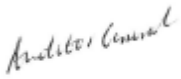
66. Moreover, management did not respond with the required urgency to our consistent messages about addressing internal control deficiencies with respect to matters raised in prior financial years to ensure accurate and complete financial and performance reporting and as a result there was no improvement in the audit outcomes.

Other reports

67. I draw attention to the following engagements conducted by various parties 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.

68. The special investigations unit at the department is performing investigations relating to allegations of incorrect awarding of certain contracts, accusations of theft, employees performing unauthorised remunerative work outside the public service and the misappropriation of inventory, covering the period 1 April 2017 to 31 March 2018. The investigations were still in progress at the date of this report.

69. The provincial treasury internal audit unit conducted 11 investigations at the request of the department, covering the period 1 April 2014 to 31 March 2018. 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. Seven of the investigations had been completed and four were still in progress.



Pietermaritzburg

31 July 2018

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 this 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 related to events or conditions that may cast significant doubt on the Department of Health'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 this auditor's report. However, future events or conditions may cause a department to cease continuing 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 ended 31 March 2018

Appropriation per programme									
Voted Funds and Direct Charges	2017/18							2016/17	
	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	897 415	-	(60 760)	836 655	836 655	-	100.0%	845 674	845 674
DISTRICT HEALTH SERVICES	19 441 200	-	(208 070)	19 233 130	19 226 776	6 354	100.0%	17 709 086	17 723 971
EMERGENCY MEDICAL SERVICES	1 358 514	-	19 063	1 377 577	1 377 577	-	100.0%	1 209 263	1 209 263
PROVINCIAL HOSPITAL SERVICES	10 622 756	-	16 455	10 639 211	10 639 211	-	100.0%	9 818 803	9 822 915
CENTRAL HOSPITAL SERVICES	4 681 578	-	182 545	4 864 123	4 864 123	-	100.0%	4 534 157	4 534 157
HEALTH SCIENCES AND TRAINING	1 241 683	-	4 367	1 246 050	1 246 050	-	100.0%	1 201 074	1 201 074
HEALTH CARE SUPPORT SERVICES	229 354	-	(18 349)	211 005	198 202	12 803	93.9%	300 368	268 768
HEALTH FACILITIES MANAGEMENT	1 457 978	-	64 749	1 522 727	1 522 727	-	100.0%	1 420 575	1 420 575
PROGRAMME SUB TOTAL	**39 930 478**	**-**	**0**	**39 930 478**	**39 911 321**	**19 157**	**100.0%**	**37 039 000**	**37 026 397**
TOTAL	**39 930 478**	**-**	**0**	**39 930 478**	**39 911 321**	**19 157**	**100.0%**	**37 039 000**	**37 026 397**
Reconciliation with Statement of Financial Performance									
ADD: Departmental receipts				297 772				298 104	
Actual Amount as per Statement of Financial Performance (Total)				**40 228 250**				**37 337 104**	
Aid assistance					-				-
Prior year unauthorised expenditure approved without funding									
Actual Amount as per Statement of Financial Performance Expenditure					**39 911 321**				**37 026 397**

Appropriation Per Economic Classification	2017/18							2016/17	
	2016/17	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	37 215 923	-	(267 894)	36 948 029	36 961 386	(13 357)	100.0%	34 734 731	34 739 862
Compensation of employees	24 962 432	-	(347 639)	24 614 793	24 614 793	-	100.0%	23 354 896	23 354 896
Salaries and wages	21 840 733	-	(318 035)	21 522 698	21 522 698	-	100.0%	20 417 984	20 415 442
Social contributions	3 121 699	-	(29 604)	3 092 095	3 092 095	-	100.0%	2 936 912	2 939 454
Goods and services	12 251 359	-	78 576	12 329 935	12 343 292	(13 357)	100.1%	11 377 713	11 382 844
Administrative fees	3 050	-	1 897	4 947	5 112	(165)	103.3%	2 681	3 359
Advertising	12 306	-	195	12 501	21 746	(9 245)	174.0%	13 665	23 114
Minor assets	58 594	-	(13 734)	44 860	44 875	(15)	100.0%	59 790	41 398
Audit costs: External	20 381	-	4 598	24 979	24 979	-	100.0%	16 276	16 276
Bursaries: Employees	2 174	-	(950)	1 224	1 224	-	100.0%	2 014	1 891
Catering: Departmental activities	2 897	-	314	3 211	3 016	195	93.9%	5 493	5 029
Communication (G&S)	105 437	-	(1 557)	103 880	103 890	(10)	100.0%	108 053	116 893
Computer services	160 501	-	(28 154)	132 347	132 347	-	100.0%	163 632	163 632
Consultants: Business and advisory services	66 299	-	(14 986)	51 313	51 314	(1)	100.0%	57 589	58 581
Infrastructure and planning services	(90)	-	90	-	-	-	-	-	61
Laboratory services	2 042 101	-	20 194	2 062 295	2 043 680	18 615	99.1%	1 630 288	1 618 865
Legal services	61 889	-	22 887	84 776	84 776	-	100.0%	22 704	34 843
Contractors	182 586	-	1 495	184 081	171 100	12 981	92.9%	202 456	212 584
Agency and support / outsourced services	999 794	-	235 371	1 235 165	1 235 160	5	100.0%	1 176 121	1 036 942
Entertainment	6	-	(6)	-	-	-	-	9	8
Fleet services (including government motor transport)	359 042	-	17 533	376 575	375 931	644	99.8%	301 822	301 898
Inventory: Clothing material and accessories	30 349	-	(11 943)	18 406	18 403	3	100.0%	15 588	14 772

Appropriation Per Economic Classification	2017/18							2016/17	
	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
Inventory: Food and food supplies	128 807	-	(14 832)	113 975	113 944	31	100.0%	129 265	121 049
Inventory: Fuel, oil and gas	85 748	-	(11 483)	74 265	74 265	-	100.0%	146 659	140 417
Inventory: Learner and teacher support material	1 914	-	(1 331)	583	583	-	100.0%	225	225
Inventory: Materials and supplies	18 226	-	1 995	20 221	20 221	-	100.0%	17 742	18 078
Inventory: Medical supplies	1 689 597	-	(68 341)	1 621 256	1 649 212	(27 956)	101.7%	1 514 483	1 541 848
Inventory: Medicine	3 659 935	-	(16 811)	3 643 124	3 662 838	(19 714)	100.5%	3 345 805	3 554 428
Inventory: Other supplies	198 702	-	(7 807)	190 895	178 092	12 803	93.3%	1 307	1 629
Consumable supplies	102 843	-	(699)	102 144	102 191	(47)	100.0%	423 896	404 448
Consumable: Stationery, printing and office supplies	85 729	-	(6 846)	78 883	78 833	50	99.9%	84 886	88 858
Operating leases	152 203	-	(14 747)	137 456	137 524	(68)	100.0%	160 841	139 376
Property payments	1 844 004	-	(26 370)	1 817 634	1 817 720	(86)	100.0%	1 574 399	1 518 449
Transport provided: Departmental activity	83 289	-	1 940	85 229	85 229	-	100.0%	80 310	79 853
Travel and subsistence	68 202	-	3 678	71 880	73 547	(1 667)	102.3%	76 979	83 199
Training and development	4 536	-	7 898	12 434	12 682	(248)	102.0%	19 196	16 792
Operating payments	16 542	-	870	17 412	17 294	118	99.3%	22 095	22 530
Venues and facilities	2 488	-	(968)	1 520	1 520	-	100.0%	1 440	1 440
Rental and hiring	1 278	-	(814)	464	44	420	9.5%	4	69
Interest and rent on land	2 132	-	1 169	3 301	3 301	-	100.0%	2 122	2 122
Interest (Incl. interest on unitary payments (PPP))	2 132	-	1 169	3 301	3 301	-	100.0%	2 122	2 122
Transfers and subsidies	1 027 358	-	176 135	1 203 493	1 248 707	(45 214)	103.8%	888 335	1 035 657
Provinces and municipalities	210 519	-	(217)	210 302	225 674	(15 372)	107.3%	226 791	159 755
Provinces	6 235	-	(217)	6 018	6 018	-	100.0%	5 005	5 005

Appropriation Per Economic Classification	2017/18							2016/17	
	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 agencies and funds	6 235	-	(217)	6 018	6 018	-	100.0%	5 005	5 005
Municipalities	204 284	-	-	204 284	219 656	(15 372)	107.5%	221 786	154 750
Municipal bank accounts	204 284	-	-	204 284	219 656	(15 372)	107.5%	221 786	154 750
Departmental agencies and accounts	19 155	-	125	19 280	19 280	-	100.0%	20 131	20 131
Departmental agencies (non-business entities)	19 155	-	125	19 280	19 280	-	100.0%	20 131	20 131
Non-profit institutions	143 454	-	-	143 454	141 396	2 058	98.6%	203 313	203 929
Households	654 230	-	176 227	830 457	862 357	(31 900)	103.8%	438 100	651 842
Social benefits	121 348	-	(5 909)	115 439	113 905	1 534	98.7%	108 603	108 603
Other transfers to households	532 882	-	182 136	715 018	748 452	(33 434)	104.7%	329 497	543 239
Payments for capital assets	1 579 473	-	91 137	1 670 610	1 592 882	77 728	95.3%	1 308 327	1 106 314
Buildings and other fixed structures	926 250	-	145 883	1 072 133	1 069 333	2 800	99.7%	902 525	910 917
Buildings	926 250	-	145 883	1 072 133	1 069 333	2 800	99.7%	900 525	908 917
Other fixed structures	-	-	-	-	-	-	-	2 000	2 000
Machinery and equipment	653 223	-	(54 746)	598 477	523 549	74 928	87.5%	405 802	195 397
Transport equipment	171 280	-	(27 829)	143 451	129 900	13 551	90.6%	116 531	50 411
Other machinery and equipment	481 943	-	(26 917)	455 026	393 649	61 377	86.5%	289 271	144 986
Payment for financial assets	107 724	-	622	108 346	108 346	-	100.0%	107 607	144 564
	39 930 478	**-**	**0**	**39 930 478**	**39 911 321**	**19 157**	**100.0%**	**37 039 000**	**37 026 397**

PROGRAMME 1: ADMINISTRATION

PROGRAMME 1:ADMINISTRATION	2017/18							2016/17	
	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	20 891	-	(159)	20 732	20 732	-	100.0%	18 990	18 990
MANAGEMENT	876 524	-	(60 601)	815 923	815 923	-	100.0%	826 684	826 684
	897 415	**-**	**(60 760)**	**836 655**	**836 655**	**-**	**100.0%**	**845 674**	**845 674**

PROGRAMME 1: ADMINISTRATION	2017/18							2016/17	
	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
Economic Classification									
Current payments	771 446	-	(75 719)	695 727	695 727	-	100.0%	682 196	683 440
Compensation of employees	383 149	-	(3 920)	379 229	379 229	-	100.0%	365 803	365 803
Salaries and wages	335 901	-	(3 536)	332 365	332 365	-	100.0%	317 645	317 645
Social contributions	47 248	-	(384)	46 864	46 864	-	100.0%	48 158	48 158
Goods and services	388 271	-	(71 924)	316 347	316 347	-	100.0%	315 573	316 817
Administrative fees	921	-	32	953	953	-	100.0%	973	1 166
Advertising	1 693	-	644	2 337	2 337	-	100.0%	2 000	2 848
Minor assets	1 541	-	(1 404)	137	137	-	100.0%	2 657	2 657
Audit costs: External	20 381	-	4 598	24 979	24 979	-	100.0%	16 276	16 276
Bursaries: Employees	-	-	1	1	1	-	100.0%	-	37
Catering: Departmental activities	828	-	(355)	473	473	-	100.0%	3 128	3 145
Communication (G&S)	11 509	-	(209)	11 300	11 300	-	100.0%	11 452	11 462

PROGRAMME 1: ADMINISTRATION	2017/18							2016/17	
	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
Computer services	155 524	-	(32 036)	123 488	123 488	-	100.0%	158 366	158 740
Consultants: Business and advisory services	64 662	-	(15 911)	48 751	48 751	-	100.0%	54 909	55 300
Laboratory services	-	-	33	33	33	-	100.0%	-	228
Legal services	61 889	-	(35 628)	26 261	26 261	-	100.0%	1 474	1 474
Contractors	45	-	10 749	10 794	10 794	-	100.0%	700	77
Agency and support / outsourced services	1 332	-	102	1 434	1 434	-	100.0%	1 490	1 490
Entertainment	6	-	(6)	-	-	-	-	9	8
Fleet services (including government motor transport)	6 339	-	2 200	8 539	8 539	-	100.0%	6 376	6 058
Inventory: Clothing material and accessories	132	-	(77)	55	55	-	100.0%	(132)	(132)
Inventory: Food and food supplies	50	-	15	65	65	-	100.0%	10	15
Inventory: Materials and supplies	25	-	(28)	(3)	(3)	-	100.0%	29	52
Inventory: Medical supplies	265	-	445	710	710	-	100.0%	1 000	751
Inventory: Medicine	-	-	-	-	-	-	-	-	183
Inventory: Other supplies	88	-	192	280	280	-	100.0%	-	-
Consumable supplies	(75)	-	(140)	(215)	(215)	-	100.0%	206	(101)
Consumable: Stationery, printing and office supplies	2 713	-	(717)	1 996	1 996	-	100.0%	5 760	4 953
Operating leases	5 051	-	(423)	4 628	4 628	-	100.0%	5 106	5 113
Travel and subsistence	14 776	-	216	14 992	14 992	-	100.0%	17 900	18 804
Training and development	18	-	(18)	-	-	-	-	-	-
Operating payments	340	-	(170)	170	170	-	100.0%	400	188
Venues and facilities	2 488	-	(1 315)	1 173	1 173	-	100.0%	1 414	971
Rental and hiring	6	-	1	7	7	-	100.0%	-	36
Interest and rent on land	26	-	125	151	151	-	100.0%	820	820
Interest (Incl. interest on unitary payments (PPP))	26	-	125	151	151	-	100.0%	820	820

PROGRAMME 1: ADMINISTRATION	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	6 594	-	(701)	5 893	5 893	-	100.0%	6 213	17 443
Provinces and municipalities	3 596	-	(429)	3 167	3 167	-	100.0%	2 903	2 903
Provinces	3 596	-	(429)	3 167	3 167	-	100.0%	2 903	2 903
Provincial agencies and funds	3 596	-	(429)	3 167	3 167	-	100.0%	2 903	2 903
Departmental agencies and accounts	1	-	(1)	-	-	-	-	-	-
Departmental agencies (non-business entities)	1	-	(1)	-	-	-	-	-	-
Households	2 997	-	(271)	2 726	2 726	-	100.0%	3 310	14 540
Social benefits	2 997	-	(324)	2 673	2 673	-	100.0%	2 737	2 737
Other transfers to households	-	-	53	53	53	-	100.0%	573	11 803
Payments for capital assets	11 651	-	15 032	26 683	26 683	-	100.0%	49 658	257
Machinery and equipment	11 651	-	15 032	26 683	26 683	-	100.0%	49 658	257
Transport equipment	7 526	-	(4 781)	2 745	2 745	-	100.0%	3 152	-
Other machinery and equipment	4 125	-	19 813	23 938	23 938	-	100.0%	46 506	257
Payment for financial assets	107 724	-	628	108 352	108 352	-	100.0%	107 607	144 534
	897 415	**-**	**(60 760)**	**836 655**	**836 655**	**-**	**100.0%**	**845 674**	**845 674**

SUB PROGRAMME: 1.1: OFFICE OF THE MEC	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	19 671	-	989	20 660	20 660	-	100.0%	18 972	18 972
Compensation of employees	14 223	-	(136)	14 087	14 087	-	100.0%	13 760	13 760
Goods and services	5 448	-	1 125	6 573	6 573	-	100.0%	5 212	5 212

SUB PROGRAMME: 1.1: OFFICE OF THE MEC	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	7	-	53	60	60	-	100.0%	18	18
Households	7	-	53	60	60	-	100.0%	18	18
Payments for capital assets	1 213	-	(1 201)	12	12	-	100.0%	-	-
Machinery and equipment	1 213	-	(1 201)	12	12	-	100.0%	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	**20 891**	**-**	**(159)**	**20 732**	**20 732**	**-**	**100.0%**	**18 990**	**18 990**

SUB PROGRAMME: 1.1: OFFICE OF THE HOH	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	751 775	-	(76 708)	675 067	675 067	-	100.0%	663 224	664 468
Compensation of employees	368 926	-	-(3 784)	365 142	365 142	-	100.0%	352 043	352 043
Goods and services	382 823	-	(73 049)	309 774	309 774	-	100.0%	310 361	311 605
Interest and rent on land	26	-	125	151	151	-	100.0%	820	820
Transfers and subsidies	6 587	-	(754)	5 833	5 833	-	100.0%	6 195	17 425
Provinces and municipalities	3 596	-	(429)	3 167	3 167	-	100.0%	2 903	2 903
Departmental agencies and accounts	1	-	(1)	-	-	-	-	-	-
Households	2 990	-	(324)	2 666	2 666	-	100.0%	3 292	14 522
Payments for capital assets	10 438	-	16 233	26 671	26 671	-	100.0%	49 658	257
Machinery and equipment	10 438	-	16 233	26 671	26 671	-	100.0%	49 658	257
Payment for financial assets	107 724		628	108 352	108 352	-	100.0%	107 607	144 534
Total	**876 524**	**-**	**(60 601)**	**815 923**	**815 923**	**-**	**100.0%**	**826 684**	**826 684**

PROGRAMME 2: DISTRICT HEALTH SERVICES

PROGRAMME 2 : DISTRICT HEALTH SERVICES	2017/18							2016/17	
	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	287 364	-	14 698	302 062	302 062	-	100.0%	297 972	291 190
COMMUNITY HEALTH CLINICS	4 227 655	-	(205 183)	4 022 472	4 020 491	1 981	100.0%	3 947 285	3 915 857
COMMUNITY HEALTH CENTRES	1 638 584	-	(13 232)	1 625 352	1 625 352	-	100.0%	1 525 066	1 500 268
COMMUNITY BASED SERVICES	471 653	-	(165 428)	306 225	306 225	-	100.0%	100 000	56 204
OTHER COMMUNITY SERVICES	1 063 274	-	8 201	1 071 475	1 071 475	-	100.0%	1 168 329	1 156 493
HIV AND AIDS	4 852 495	-	166 185	5 018 680	5 018 680	-	100.0%	4 361 241	4 499 037
NUTRITION	52 920	-	(10 980)	41 940	41 940	-	100.0%	49 000	44 940
CORONER SERVICES	223 720	-	(1 892)	221 828	221 828	-	100.0%	188 307	180 085
DISTRICT HOSPITALS	6 623 535	-	(439)	6 623 096	6 618 723	4 373	99.9%	6 071 886	6 079 897
	19 441 200	**-**	**(208 070)**	**19 233 130**	**19 226 776**	**6 354**	**100.0%**	**17 709 086**	**17 723 971**

PROGAMME 2: DISTRICT HEALTH SERVICES	2017/18							2016/17	
	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
Economic Classification									
Current payments	18 710 274	-	(323 999)	18 386 275	18 412 434	(26 159)	100.1%	17 099 390	17 198 336
Compensation of employees	12 079 378	-	(172 593)	11 906 785	11 906 785	-	100.0%	11 229 551	11 229 551
Salaries and wages	10 531 512	-	(155 113)	10 376 399	10 376 399	-	100.0%	9 786 986	9 783 720
Social contributions	1 547 866	-	(17 480)	1 530 386	1 530 386	-	100.0%	1 442 565	1 445 831

PROGAMME 2: DISTRICT HEALTH SERVICES	2017/18							2016/17	
	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
Goods and services	6 630 616	-	(151 643)	6 478 973	6 505 132	(26 159)	100.4%	5 868 933	5 967 879
Administrative fees	1 050	-	94	1 144	1 309	(165)	114.4%	1 022	1 474
Advertising	8 483	-	(488)	7 995	17 240	(9 245)	215.6%	8 531	16 947
Minor assets	32 481	-	383	32 864	32 879	(15)	100.0%	43 301	27 222
Catering: Departmental activities	1 799	-	593	2 392	2 197	195	91.8%	1 894	1 549
Communication (G&S)	56 558	-	(521)	56 037	56 047	(10)	100.0%	58 825	67 461
Computer services	1 460	-	705	2 165	2 165	-	100.0%	5 066	1 457
Consultants: Business and advisory services	1 103	-	585	1 688	1 689	(1)	100.1%	1 950	2 238
Infrastructure and planning services	(90)	-	90	-	-	-	-	-	-
Laboratory services	1 377 650	-	19 284	1 396 934	1 378 319	18 615	98.7%	1 175 312	1 096 298
Legal services	-	-	21 673	21 673	21 673	-	100.0%	4 350	9 761
Contractors	91 967	-	(571)	91 396	78 415	12 981	85.8%	23 056	35 905
Agency and support / outsourced services	153 651	-	(4 372)	149 279	149 274	5	100.0%	110 887	109 275
Fleet services (including government motor transport)	113 690	-	(7 378)	106 312	105 668	644	99.4%	87 891	91 950
Inventory: Clothing material and accessories	10 942	-	(739)	10 203	10 200	3	100.0%	6 647	7 270
Inventory: Farming supplies	-	-	-	-	-	-	-	-	10
Inventory: Food and food supplies	81 701	-	(10 589)	71 112	71 081	31	100.0%	78 030	73 884
Inventory: Fuel, oil and gas	20 671	-	(3 483)	17 188	17 188	-	100.0%	39 328	38 483
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	3
Inventory: Materials and supplies	10 980	-	1 805	12 785	12 785	-	100.0%	9 721	11 554
Inventory: Medical supplies	534 761	-	(80 011)	454 750	482 706	(27 956)	106.1%	431 927	467 830
Inventory: Medicine	3 042 295	-	(67 394)	2 974 901	2 994 614	(19 713)	100.7%	2 711 157	2 898 233
Inventory: Other supplies	71 716	-	(2 514)	69 202	69 202	-	100.0%	220	382
Consumable supplies	52 670	-	(142)	52 528	52 575	(47)	100.1%	120 940	121 805

PROGAMME 2: DISTRICT HEALTH SERVICES	2017/18							2016/17	
	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 and office supplies	48 940	-	(3 285)	45 655	45 605	50	99.9%	46 361	51 138
Operating leases	32 374	-	(7 025)	25 349	25 417	(68)	100.3%	42 920	37 100
Property payments	856 093	-	(8 540)	847 553	847 639	(86)	100.0%	824 005	762 405
Transport provided: Departmental activity	1 807	-	(138)	1 669	1 669	-	100.0%	1 500	1 654
Travel and subsistence	20 135	-	431	20 566	22 233	(1 667)	108.1%	19 580	24 063
Training and development	790	-	(32)	758	1 006	(248)	132.7%	7 060	3 917
Operating payments	3 667	-	788	4 455	4 337	118	97.4%	7 432	6 509
Venues and facilities	-	-	-	-	-	-	-	16	69
Rental and hiring	1 272	-	(852)	420	-	420	-	4	33
Interest and rent on land	280	-	237	517	517	-	100.0%	906	906
Interest (Incl. interest on unitary payments (PPP))	280	-	237	517	517	-	100.0%	906	906
Transfers and subsidies	475 617	-	96 120	571 737	597 021	(25 284)	104.4%	450 842	458 294
Provinces and municipalities	204 284	-	2	204 286	219 658	(15 372)	107.5%	221 786	154 750
Provinces	-	-	2	2	2	-	100.0%	-	-
Provincial agencies and funds	-	-	2	2	2	-	100.0%	-	-
Municipalities	204 284	-	-	204 284	219 656	(15 372)	107.5%	221 786	154 750
Municipal bank accounts	204 284	-	-	204 284	219 656	(15 372)	107.5%	221 786	154 750
Departmental agencies and accounts	67	-	84	151	151	-	100.0%	107	107
Departmental agencies (non-business entities)	67	-	84	151	151	-	100.0%	107	107
Non-profit institutions	108 611	-	-	108 611	113 929	(5 318)	104.9%	170 756	171 372
Households	162 655	-	96 034	258 689	263 283	(4 594)	101.8%	58 193	132 065
Social benefits	64 511	-	(8 656)	55 855	54 321	1 534	97.3%	58 149	58 149
Other transfers to households	98 144	-	104 690	202 834	208 962	(6 128)	103.0%	44	73 916
Payments for capital assets	255 309	-	19 790	275 099	217 302	57 797	79.0%	158 854	67 311
Buildings and other fixed structures	2 800	-	-	2 800	-	2 800	-	-	-

PROGAMME 2: DISTRICT HEALTH SERVICES	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Buildings	2 800	-	-	2 800	-	2 800	-	-	-
Machinery and equipment	252 509	-	19 790	272 299	217 302	54 997	79.8%	158 854	67 311
Transport equipment	95 004	-	(5 226)	89 778	76 227	13 551	84.9%	91 376	35 923
Other machinery and equipment	157 505	-	25 016	182 521	141 075	41 446	77.3%	67 478	31 388
Payment for financial assets	-	-	19	19	19	-	100.0%	-	30
	19 441 200	**-**	**(208 070)**	**19 233 130**	**19 226 776**	**6 354**	**100.0%**	**17 709 086**	**17 723 971**

SUB-PROGRAMME: 2.1: DISTRICT MANAGEMENT	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	282 135	-	6 474	288 609	288 609	-	100.0%	280 141	283 008
Compensation of employees	237 030	-	(5 846)	231 184	231 184	-	100.0%	223 490	224 274
Goods and services	45 103	-	12 313	57 416	57 416	-	100.0%	56 621	58 704
Interest and rent on land	2	-	7	9	9	-	100.0%	30	30
Transfers and subsidies	1 429	-	(677)	752	752	-	100.0%	1 881	1 929
Households	1 429	-	(677)	752	752	-	100.0%	1 881	1 929
Payments for capital assets	3 800	-	8 901	12 701	12 701	-	100.0%	15 950	6 253
Machinery and equipment	3 800	-	8 901	12 701	12 701	-	100.0%	15 950	6 253
Total	**287 364**	**-**	**14 698**	**302 062**	**302 062**	**-**	**100.0%**	**297 972**	**291 190**

SUB PROGRAMME: 2.2: COMMUNITY HEALTH CLINICS	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	4 038 096	-	(209 441)	3 828 655	3 821 357	7 298	99.8%	3 728 833	3 743 103
Compensation of employees	2 446 625	-	(56 072)	2 390 553	2 390 553	-	100.0%	2 284 300	2 284 300
Goods and services	1 591 420	-	(153 451)	1 437 969	1 430 671	7 298	99.5%	1 444 403	1 458 673
Interest and rent on land	51	-	82	133	133	-	100.0%	130	130
Transfers and subsidies	127 796	-	21 178	148 974	154 291	(5 317)	103.6%	184 452	157 420
Provinces and municipalities	104 284	-	-	104 284	102 810	1 474	98.6%	141 786	114 750
Departmental agencies and accounts	-	-	19	19	19	-	100.0%	18	18
Non-profit institutions	4 798		(694)	4 104	10 895	(6 791)	265.5%	27 543	27 497
Households	18 714	-	21 853	40 567	40 567	-	100.0%	15 105	15 155
Payments for capital assets	61 763	-	(16 920)	44 843	44 843	-	100.0%	34 000	15 334
Machinery and equipment	61 763	-	(16 920)	44 843	44 843	-	100.0%	34 000	15 334
Total	**4 227 655**	**-**	**(205 183)**	**4 022 472**	**4 020 491**	**1 981**	**100.0%**	**3 947 285**	**3 915 857**

SUB PROGRAMME: 2.3: COMMUNITY HEALTH CENTRES	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	1 608 677	-	(20 620)	1 588 057	1 588 057	-	100.0%	1 508 725	1 492 833
Compensation of employees	1 212 976	-	(25 889)	1 187 087	1 187 087	-	100.0%	1 108 018	1 108 018
Goods and services	395 673	-	5 271	400 944	400 944	-	100.0%	400 670	384 778
Interest and rent on land	28	-	(2)	26	26	-	100.0%	37	37
Transfers and subsidies	7 742	-	6 018	13 760	13 760	-	100.0%	4 341	4 544
Departmental agencies and accounts	3	-	10	13	13	-	100.0%	10	10

SUB PROGRAMME: 2.3: COMMUNITY HEALTH CENTRES	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Households	7 739	-	6 008	13 747	13 747	-	100.0%	4 331	4 534
Payments for capital assets	22 165	-	1 370	23 535	23 535	-	100.0%	12 000	2 891
Machinery and equipment	22 165	-	1 370	23 535	23 535	-	100.0%	12 000	2 891
Total	**1 638 584**	**-**	**(13 232)**	**1 625 352**	**1 625 352**	**-**	**100.0%**	**1 525 066**	**1 500 268**

SUB PROGRAMME: 2.4: COMMUNITY BASED SERVICES	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	460 715	-	(159 166)	301 549	301 549	-	100.0%	100 000	56 204
Compensation of employees	289 220	-	(55 987)	233 233	233 233	-	100.0%	13 000	13 000
Goods and services	171 495	-	(103 179)	68 316	68 316	-	100.0%	87 000	43 204
Transfers and subsidies	745	-	(124)	621	621	-	100.0%	-	-
Households	745	-	(124)	621	621	-	100.0%	-	-
Payments for capital assets	10 193	-	(6 138)	4 055	4 055	-	100.0%	-	-
Machinery and equipment	10 193	-	(6 138)	4 055	4 055	-	100.0%	-	-
Total	**471 653**	**-**	**(165 428)**	**306 225**	**306 225**	**-**	**100.0%**	**100 000**	**56 204**

SUB PROGRAMME: 2.5: OTHER COMMUNITY SERVICES	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	1 032 556	-	6 461	1 039 017	1 039 017	-	100.0%	1 153 522	1 151 602
Compensation of employees	1 011 907	-	2 025	1 013 932	1 013 932	-	100.0%	1 118 738	1 118 738
Goods and services	20 649	-	4 436	25 085	25 085	-	100.0%	34 783	32 863
Interest and rent on land	-	-	-	-	-	-	-	1	1
Transfers and subsidies	29 913	-	(1 817)	28 096	28 096	-	100.0%	4 807	4 807
Non-profit institutions	23 782	-	2	23 784	23 784	-	100.0%	-	-
Households	6 131	-	(1 819)	4 312	4 312	-	100.0%	4 807	4 807
Payments for capital assets	805	-	3 557	4 362	4 362	-	100.0%	10 000	84
Machinery and equipment	805	-	3 557	4 362	4 362	-	100.0%	10 000	84
Total	**1 063 274**	**-**	**8 201**	**1 071 475**	**1 071 475**	**-**	**100.0%**	**1 168 329**	**1 156 493**

SUB PROGRAMME: 2.6: HIV AND AIDS	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	4 708 545	-	166 185	4 874 730	4 880 044	(5 314)	100.1%	4 231 634	4 410 629
Compensation of employees	1 954 392	-	(2 336)	1 952 056	1 952 056	-	100.0%	1 858 068	1 864 600
Goods and services	2 754 153	-	168 521	2 922 674	2 927 988	(5 314)	100.2%	2 373 566	2 546 029
Transfers and subsidies	117 746	-	-	117 746	131 585	(13 839)	111.8%	98 271	57 051
Provinces and municipalities	100 000	-	-	100 000	116 846	(16 846)	116.8%	80 000	40 000
Non-profit institutions	11 507	-	-	11 507	10 034	1 473	87.2%	12 674	11 454
Households	6 239	-	-	6 239	4 705	1 534	75.4%	5 597	5 597

SUB PROGRAMME: 2.6: HIV AND AIDS	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payments for capital assets	26 204	-	-	26 204	7 051	19 153	26.9%	31 336	31 357
Buildings and other fixed structures	2 800	-	-	2 800	-	2 800	-	-	-
Machinery and equipment	23 404	-	-	23 404	7 051	16 353	30.1%	31 336	31 357
Total	**4 852 495**	**-**	**166 185**	**5 018 680**	**5 018 680**	**-**	**100.0%**	**4 361 241**	**4 499 037**

SUB PROGRAMME: 2.7: NUTRITION	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	52 920	-	(10 980)	41 940	41 940	-	100.0%	48 822	44 762
Goods and services	52 920	-	(10 980)	41 940	41 940	-	100.0%	48 822	44 762
Payments for capital assets	-	-	-	-	-	-	-	178	178
Machinery and equipment	-	-	-	-	-	-	-	178	178
Total	**52 920**	**-**	**(10 980)**	**41 940**	**41 940**	**-**	**100.0%**	**49 000**	**44 940**

SUB PROGRAMME: 2.8: CORONER SERVICES	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	219 784	-	(2 889)	216 895	216 895	-	100.0%	183 741	179 216
Compensation of employees	180 073	-	(1 562)	178 511	178 511	-	100.0%	148 572	148 572
Goods and services	39 701	-	(1 333)	38 368	38 368	-	100.0%	35 155	30 630
Interest and rent on land	10	-	6	16	16	-	100.0%	14	14
Transfers and subsidies	184	-	120	304	304	-	100.0%	66	66
Provinces and municipalities	-	-	2	2	2	-	100.0%	-	-
Households	184	-	118	302	302	-	100.0%	66	66
Payments for capital assets	3 752	-	877	4 629	4 629	-	100.0%	4 500	803
Machinery and equipment	3 752	-	877	4 629	4 629	-	100.0%	4 500	803
Total	**223 720**	**-**	**(1 892)**	**221 828**	**221 828**	**-**	**100.0%**	**188 307**	**180 085**

SUB PROGRAMME: 2.9: DISTRICT HOSPITALS	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	6 306 846	-	(100 023)	6 206 823	6 234 966	(28 143)	100.5%	5 863 972	5 836 979
Compensation of employees	4 747 155	-	(26 926)	4 720 229	4 720 229	-	100.0%	4 475 365	4 468 049
Goods and services	1 559 502	-	(73 241)	1 486 261	1 514 404	(28 143)	101.9%	1 387 913	1 368 236
Interest and rent on land	189	-	144	333	333	-	100.0%	694	694
Transfers and subsidies	190 062	-	71 422	261 484	267 612	(6 128)	102.3%	157 024	232 477
Departmental agencies and accounts	64	-	55	119	119	-	100.0%	79	79

SUB PROGRAMME: 2.9: DISTRICT HOSPITALS	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Non-profit institutions	68 524	-	692	69 216	69 216	-	100.0%	130 539	132 421
Households	121 474	-	70 675	192 149	198 277	(6 128)	103.2%	26 406	99 977
Payments for capital assets	126 627	-	28 143	154 770	116 126	38 644	75.0%	50 890	10 411
Machinery and equipment	126 627	-	28 143	154 770	116 126	38 644	75.0%	50 890	10 411
Payment for financial assets	-	-	19	19	19	-	100.0%	-	30
Total	**6 623 535**	**-**	**(439)**	**6 623 096**	**6 618 723**	**4 373**	**99.9%**	**6 071 886**	**6 079 897**

PROGRAMME 3: EMERGENCY MEDICAL SERVICES

PROGRAMME 3: EMERGENCY MEDICAL SERVICES	2017/18							2016/17	
	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	1 242 392	-	9 344	1 251 736	1 251 736	-	100.0%	1 114 460	1 114 738
PLANNED PATIENT TRANSPORT	116 122	-	9 719	125 841	125 841	-	100.0%	94 803	94 525
	1 358 514	**-**	**19 063**	**1 377 577**	**1 377 577**	**-**	**100.0%**	**1 209 263**	**1 209 263**

PROGRAMME 3: EMERGENCY MEDICAL SERVICES	2017/18							2016/17	
	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
Economic Classification									
Current payments	1 301 802	-	23 540	1 325 342	1 325 342	-	100.0%	1 186 198	1 189 528
Compensation of employees	942 036	-	8 585	950 621	950 621	-	100.0%	863 490	866 530
Salaries and wages	805 088	-	7 896	812 984	812 984	-	100.0%	735 043	738 046
Social contributions	136 948	-	689	137 637	137 637	-	100.0%	128 447	128 484
Goods and services	359 747	-	14 968	374 715	374 715	-	100.0%	322 647	322 937
Administrative fees	20	-	11	31	31	-	100.0%	20	35
Advertising	19	-	(6)	13	13	-	100.0%	17	43
Minor assets	1 833	-	(757)	1 076	1 076	-	100.0%	870	630
Communication (G&S)	9 381	-	(119)	9 262	9 262	-	100.0%	9 570	9 395
Consultants: Business and advisory services	93	-	44	137	137	-	100.0%	-	5

PROGRAMME 3: EMERGENCY MEDICAL SERVICES	2017/18							2016/17	
	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
Legal services	-	-	178	178	178	-	100.0%	90	320
Contractors	2 123	-	(82)	2 041	2 041	-	100.0%	1 000	1 305
Agency and support / outsourced services	501	-	(16)	485	485	-	100.0%	498	472
Fleet services (including government motor transport)	212 388	-	23 995	236 383	236 383	-	100.0%	185 225	179 855
Inventory: Clothing material and accessories	12 144	-	(11 084)	1 060	1 060	-	100.0%	2 705	248
Inventory: Fuel, oil and gas	1	-	281	282	282	-	100.0%	-	9 033
Inventory: Materials and supplies	135	-	(60)	75	75	-	100.0%	234	187
Inventory: Medical supplies	9 093	-	(372)	8 721	8 721	-	100.0%	11 000	11 097
Inventory: Medicine	432	-	194	626	626	-	100.0%	300	563
Inventory: Other supplies	1 491	-	(262)	1 229	1 229	-	100.0%	-	-
Consumable supplies	16	-	210	226	226	-	100.0%	4 000	4 373
Consumable: Stationery, printing and office supplies	2 068	-	(156)	1 912	1 912	-	100.0%	2 000	2 206
Operating leases	1 335	-	(250)	1 085	1 085	-	100.0%	1 620	1 624
Property payments	23 844	-	496	24 340	24 340	-	100.0%	23 821	22 129
Transport provided: Departmental activity	80 916	-	2 198	83 114	83 114	-	100.0%	78 000	77 341
Travel and subsistence	1 912	-	522	2 434	2 434	-	100.0%	1 477	1 961
Operating payments	2	-	3	5	5	-	100.0%	200	115
Interest and rent on land	19	-	(13)	6	6	-	100.0%	61	61
Interest (Incl. interest on unitary payments (PPP))	19	-	(13)	6	6	-	100.0%	61	61
Transfers and subsidies	4 703	-	(4)	4 699	4 699	-	100.0%	3 779	3 779
Provinces and municipalities	2 624	-	210	2 834	2 834	-	100.0%	2 001	2 001
Provinces	2 624	-	210	2 834	2 834	-	100.0%	2 001	2 001
Provincial agencies and funds	2 624	-	210	2 834	2 834	-	100.0%	2 001	2 001

PROGRAMME 3: EMERGENCY MEDICAL SERVICES	2017/18							2016/17	
	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 and accounts	-	-	-	-	-	-	-	2	2
Departmental agencies (non-business entities)	-	-	-	-	-	-	-	2	2
Households	2 079	-	(214)	1 865	1 865	-	100.0%	1 776	1 776
Social benefits	1 597	-	(31)	1 566	1 566	-	100.0%	1 358	1 358
Other transfers to households	482	-	(183)	299	299	-	100.0%	418	418
Payments for capital assets	52 009	-	(4 473)	47 536	47 536	-	100.0%	19 286	15 956
Machinery and equipment	52 009	-	(4 473)	47 536	47 536	-	100.0%	19 286	15 956
Transport equipment	43 000	-	(1 460)	41 540	41 540	-	100.0%	14 000	14 488
Other machinery and equipment	9 009	-	(3 013)	5 996	5 996	-	100.0%	5 286	1 468
	1 358 514	**-**	**19 063**	**1 377 577**	**1 377 577**	**-**	**100.0%**	**1 209 263**	**1 209 263**

SUB PROGRAMME: 3.1: EMERGENCY SERVICES	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	1 186 134	-	13 447	1 199 581	1 199 581	-	100.0%	1 091 726	1 095 019
Compensation of employees	893 386	-	(2 234)	891 152	891 152	-	100.0%	814 701	817 704
Goods and services	292 729	-	15 694	308 423	308 423	-	100.0%	276 964	277 254
Interest and rent on land	19	-	(13)	6	6	-	100.0%	61	61
Transfers and subsidies	4 258	-	370	4 628	4 628	-	100.0%	3 763	3 763
Provinces and municipalities	2 500	-	270	2 770	2 770	-	100.0%	2 001	2 001

SUB PROGRAMME: 3.1: EMERGENCY SERVICES	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Departmental agencies and accounts	-	-	-	-	-	-	-	2	2
Households	1 758	-	100	1 858	1 858	-	100.0%	1 760	1 760
Payments for capital assets	52 000	-	(4 473)	47 527	47 527	-	100.0%	18 971	15 956
Machinery and equipment	52 000	-	(4 473)	47 527	47 527	-	100.0%	18 971	15 956
Total	**1 242 392**	**-**	**9 344**	**1 251 736**	**1 251 736**	**-**	**100.0%**	**1 114 460**	**1 114 738**

SUB PROGRAMME: 3.2: PLANNED PATIENT TRANSPORT	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	115 668	-	10 093	125 761	125 761	-	100.0%	94 472	94 509
Compensation of employees	48 650	-	10 819	59 469	59 469	-	100.0%	48 789	48 826
Goods and services	67 018	-	(726)	66 292	66 292	-	100.0%	45 683	45 683
Transfers and subsidies	445	-	(374)	71	71	-	100.0%	16	16
Provinces and municipalities	124	-	(60)	64	64	-	100.0%	-	-
Households	321	-	(314)	7	7	-	100.0%	16	16
Payments for capital assets	9	-	-	9	9	-	100.0%	315	-
Machinery and equipment	9	-	-	9	9	-	100.0%	315	-
Total	**116 122**	**-**	**9 719**	**125 841**	**125 841**	**-**	**100.0%**	**94 803**	**94 525**

PROGRAMME 4: PROVINICAL HOSPITAL SERVICES

PROGRAMME 4: PROVINCIAL HOSPITAL SERVICES	2017/18							2016/17	
	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	8 526 093	-	54 364	8 580 457	8 580 457	-	100.0%	7 843 862	7 822 649
TUBERCULOSIS HOSPITALS	807 317	-	(17 828)	789 489	789 489	-	100.0%	750 795	776 902
PSYCHIATRIC-MENTAL HOSPITALS	875 232	-	(9 554)	865 678	865 678	-	100.0%	824 812	825 338
SUB-ACUTE, STEP-DOWN AND CHRONIC MEDICAL HOSPITALS	392 857	-	(9 236)	383 621	383 621	-	100.0%	379 684	378 575
DENTAL TRAINING HOSPITAL	21 257	-	(1 291)	19 966	19 966	-	100.0%	19 650	19 451
	10 622 756	**-**	**16 455**	**10 639 211**	**10 639 211**	**-**	**100.0%**	**9 818 803**	**9 822 915**

PROGRAMME 4: PROVINCIAL HOSPITAL SERVICES	2017/18							2016/17	
	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
Economic Classification									
Current payments	10 266 749	-	(42 636)	10 224 113	10 224 114	(1)	100.0%	9 670 623	9 621 228
Compensation of employees	7 838 241	-	(109 444)	7 728 797	7 728 797	-	100.0%	7 442 082	7 442 082
Salaries and wages	6 851 120	-	(105 081)	6 746 039	6 746 039	-	100.0%	6 502 700	6 502 700
Social contributions	987 121	-	(4 363)	982 758	982 758	-	100.0%	939 382	939 382
Goods and services	2 426 701	-	65 995	2 492 696	2 492 697	(1)	100.0%	2 228 249	2 178 854
Administrative fees	126	-	1 893	2 019	2 019	-	100.0%	119	138
Advertising	1 257	-	(125)	1 132	1 132	-	100.0%	2 215	2 213

PROGRAMME 4: PROVINCIAL HOSPITAL SERVICES	2017/18							2016/17	
	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
Minor assets	7 417	-	931	8 348	8 348	-	100.0%	6 379	6 189
Catering: Departmental activities	71	-	(18)	53	53	-	100.0%	81	59
Communication (G&S)	19 265	-	(43)	19 222	19 222	-	100.0%	20 089	20 514
Computer services	9	-	-	9	9	-	100.0%	-	224
Consultants: Business and advisory services	380	-	244	624	624	-	100.0%	385	869
Laboratory services	420 985	-	14 433	435 418	435 418	-	100.0%	294 976	252 800
Legal services	-	-	30 316	30 316	30 316	-	100.0%	14 390	17 642
Contractors	52 834	-	(441)	52 393	52 393	-	100.0%	45 370	42 107
Agency and support / outsourced services	170 396	-	4 563	174 959	174 959	-	100.0%	160 002	155 703
Fleet services (including government motor transport)	18 212	-	(1 011)	17 201	17 201	-	100.0%	15 520	16 432
Inventory: Clothing material and accessories	4 543	-	(498)	4 045	4 045	-	100.0%	4 340	4 275
Inventory: Food and food supplies	39 240	-	(3 157)	36 083	36 083	-	100.0%	42 225	40 169
Inventory: Fuel, oil and gas	24 104	-	(2 127)	21 977	21 977	-	100.0%	61 894	53 216
Inventory: Materials and supplies	4 729	-	(219)	4 510	4 510	-	100.0%	3 741	4 588
Inventory: Medical supplies	606 614	-	(7 493)	599 121	599 121	-	100.0%	551 063	551 046
Inventory: Medicine	400 292	-	47 256	447 548	447 549	(1)	100.0%	426 104	439 658
Inventory: Other supplies	58 938	-	(1 775)	57 163	57 163	-	100.0%	-	-
Consumable supplies	31 380	-	(1 725)	29 655	29 655	-	100.0%	80 563	85 478
Consumable: Stationery, printing and office supplies	25 220	-	(2 338)	22 882	22 882	-	100.0%	23 516	24 712
Operating leases	10 131	-	(830)	9 301	9 301	-	100.0%	10 131	10 036
Property payments	524 966	-	(11 882)	513 084	513 084	-	100.0%	458 308	443 081
Transport provided: Departmental activity	566	-	(120)	446	446	-	100.0%	810	857
Travel and subsistence	2 501	-	(95)	2 406	2 406	-	100.0%	2 700	3 123

PROGRAMME 4: PROVINCIAL HOSPITAL SERVICES	2017/18							2016/17	
	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
Training and development	-	-	-	-	-	-	-	-	8
Operating payments	2 525	-	256	2 781	2 781	-	100.0%	3 328	3 717
Interest and rent on land	1 807	-	813	2 620	2 620	-	100.0%	292	292
Interest (Incl. interest on unitary payments (PPP))	1 807	-	813	2 620	2 620	-	100.0%	292	292
Transfers and subsidies	240 139	-	57 678	297 817	297 816	1	100.0%	92 163	193 032
Provinces and municipalities	-	-	-	-	-	-	-	101	101
Provinces	-	-	-	-	-	-	-	101	101
Provincial agencies and funds	-	-	-	-	-	-	-	101	101
Departmental agencies and accounts	118	-	102	220	220	-	100.0%	127	127
Departmental agencies (non-business entities)	118	-	102	220	220	-	100.0%	127	127
Non-profit institutions	34 843	-	-	34 843	27 467	7 376	78.8%	32 557	32 557
Households	205 178	-	57 576	262 754	270 129	(7 375)	102.8%	59 378	160 247
Social benefits	37 427	-	659	38 086	38 086	-	100.0%	31 891	31 891
Other transfers to households	167 751	-	56 917	224 668	232 043	(7 375)	103.3%	27 487	128 356
Payments for capital assets	115 868	-	1 438	117 306	117 306	-	100.0%	56 017	8 655
Machinery and equipment	115 868	-	1 438	117 306	117 306	-	100.0%	56 017	8 655
Transport equipment	17 000	-	(11 267)	5 733	5 733	-	100.0%	6 000	-
Other machinery and equipment	98 868	-	12 705	111 573	111 573	-	100.0%	50 017	8 655
Payment for financial assets	-	-	(25)	(25)	(25)	-	100.0%	-	-
	10 622 756	**-**	**16 455**	**10 639 211**	**10 639 211**	**-**	**100.0%**	**9 818 803**	**9 822 915**

SUB PROGRAMME: 4.1: GENERAL (REGIONAL) HOSPITALS	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	8 217 196	-	(1 545)	8 215 651	8 208 276	7 375	99.9%	7 744 350	7 663 795
Compensation of employees	6 221 810	-	(62 230)	6 159 580	6 159 580	-	100.0%	5 920 178	5 920 178
Goods and services	1 995 118	-	59 997	2 055 115	2 047 740	7 375	99.6%	1 823 943	1 743 388
Interest and rent on land	268	-	688	956	956	-	100.0%	229	229
Transfers and subsidies	198 897	-	54 942	253 839	261 214	(7 375)	102.9%	51 695	152 445
Provinces and municipalities	-	-	-	-	-	-	-	100	100
Departmental agencies and accounts	100	-	44	144	144	-	100.0%	96	96
Households	198 797	-	54 898	253 695	261 070	(7 375)	102.9%	51 499	152 249
Payments for capital assets	110 000	-	992	110 992	110 992	-	100.0%	47 817	6 409
Machinery and equipment	110 000	-	992	110 992	110 992	-	100.0%	47 817	6 409
Payment for financial assets	-	-	(25)	(25)	(25)	-	100.0%	-	-
Total	**8 526 093**	**-**	**54 364**	**8 580 457**	**8 580 457**	**-**	**100.0%**	**7 843 862**	**7 822 649**

SUB PROGRAMME: 4.2: TUBERCULOSIS HOSPITALS	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	766 932	-	(17 605)	749 327	756 703	(7 376)	101.0%	714 749	742 458
Compensation of employees	552 768	-	(21 870)	530 898	530 898	-	100.0%	516 626	516 626
Goods and services	212 651	-	4 253	216 904	224 280	(7 376)	103.4%	198 089	225 798
Interest and rent on land	1 513	-	12	1 525	1 525	-	100.0%	34	34

SUB PROGRAMME: 4.2: TUBERCULOSIS HOSPITALS	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	37 517	-	1 284	38 801	31 425	7 376	81.0%	34 046	34 046
Departmental agencies and accounts	12	-	13	25	25	-	100.0%	15	15
Non-profit institutions	34 843	-	-	34 843	27 467	7 376	78.8%	32 557	32 557
Households	2 662	-	1 271	3 933	3 933	-	100.0%	1 474	1 474
Payments for capital assets	2 868	-	(1 507)	1 361	1 361	-	100.0%	2 000	398
Machinery and equipment	2 868	-	(1 507)	1 361	1 361	-	100.0%	2 000	398
Total	**807 317**	**-**	**(17 828)**	**789 489**	**789 489**	**-**	**100.0%**	**750 795**	**776 902**

SUB PROGRAMME: 4.3: PSYCHIATRIC-MENTAL HOSPITALS	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	869 808	-	(10 354)	859 454	859 454	-	100.0%	816 500	819 574
Compensation of employees	719 960	-	(8 623)	711 337	711 337	-	100.0%	682 476	682 476
Goods and services	149 844	-	(1 831)	148 013	148 013	-	100.0%	134 005	137 079
Interest and rent on land	4	-	100	104	104	-	100.0%	19	19
Transfers and subsidies	2 424	-	768	3 192	3 192	-	100.0%	4 112	4 112
Provinces and municipalities	-	-	-	-	-	-	-	1	1
Departmental agencies and accounts	6	-	36	42	42	-	100.0%	7	7
Households	2 418	-	732	3 150	3 150	-	100.0%	4 104	4 104

SUB PROGRAMME: 4.3: PSYCHIATRIC-MENTAL HOSPITALS	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payments for capital assets	3 000	-	32	3 032	3 032	-	100.0%	4 200	1 652
Machinery and equipment	3 000	-	32	3 032	3 032	-	100.0%	4 200	1 652
Total	**875 232**	**-**	**(9 554)**	**865 678**	**865 678**	**-**	**100.0%**	**824 812**	**825 338**

SUB PROGRAMME: 4.4: SUB-ACUTE, STEP-DOWN AND CHRONIC MEDICAL HOSPITALS	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	391 556	-	(11 738)	379 818	379 818	-	100.0%	375 456	376 032
Compensation of employees	324 081	-	(15 661)	308 420	308 420	-	100.0%	304 622	304 622
Goods and services	67 453	-	3 910	71 363	71 363	-	100.0%	70 824	71 400
Interest and rent on land	22	-	13	35	35	-	100.0%	10	10
Transfers and subsidies	1 301	-	581	1 882	1 882	-	100.0%	2 228	2 347
Departmental agencies and accounts	-	-	9	9	9	-	100.0%	9	9
Households	1 301	-	572	1 873	1 873	-	100.0%	2 219	2 338
Payments for capital assets	-	-	1 921	1 921	1 921	-	100.0%	2 000	196
Machinery and equipment	-	-	1 921	1 921	1 921	-	100.0%	2 000	196
Total	**392 857**	**-**	**(9 236)**	**383 621**	**383 621**	**-**	**100.0%**	**379 684**	**378 575**

SUB PROGRAMME: 4.5: DENTAL TRAINING HOSPITAL	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	21 257	-	(1 394)	19 863	19 863	-	100.0%	19 568	19 369
Compensation of employees	19 622	-	(1 060)	18 562	18 562	-	100.0%	18 180	18 180
Goods and services	1 635	-	(334)	1 301	1 301	-	100.0%	1 388	1 189
Transfers and subsidies	-	-	103	103	103	-	100.0%	82	82
Households	-	-	103	103	103	-	100.0%	82	82
Total	**21 257**	**-**	**(1 291)**	**19 966**	**19 966**	**-**	**100.0%**	**19 650**	**19 451**

PROGRAMME 5: CENTRAL SERVICES

PROGRAMME 5: CENTRAL HOSPITAL SERVICES	2017/18							2016/17	
	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	2 263 188	-	203 197	2 466 385	2 466 385	-	100.0%	2 349 060	2 259 604
PROVINCIAL TERTIARY HOSPITAL SERVICES	2 418 390	-	(20 652)	2 397 738	2 397 738	-	100.0%	2 185 097	2 274 553
	4 681 578	**-**	**182 545**	**4 864 123**	**4 864 123**	**-**	**100.0%**	**4 534 157**	**4 534 157**

PROGRAMME 5: CENTRAL HOSPITAL SERVICES	2017/18							2016/17	
	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
Economic Classification									
Current payments	4 570 316	-	184 519	4 754 835	4 754 835	-	100.0%	4 499 505	4 472 417
Compensation of employees	2 666 039	-	(51 046)	2 614 993	2 614 993	-	100.0%	2 492 410	2 492 410
Salaries and wages	2 322 486	-	(42 021)	2 280 465	2 280 465	-	100.0%	2 171 611	2 171 611
Social contributions	343 553	-	(9 025)	334 528	334 528	-	100.0%	320 799	320 799
Goods and services	1 904 277	-	235 564	2 139 841	2 139 841	-	100.0%	2 007 055	1 979 967
Administrative fees	28	-	(11)	17	17	-	100.0%	15	22
Advertising	687	-	148	835	835	-	100.0%	800	912
Minor assets	699	-	(17)	682	682	-	100.0%	700	531
Catering: Departmental activities	2	-	-	2	2	-	100.0%	4	(112)
Communication (G&S)	6 912	-	(790)	6 122	6 122	-	100.0%	6 550	6 413
Computer services	3 508	-	3 177	6 685	6 685	-	100.0%	-	3 020

PROGRAMME 5: CENTRAL HOSPITAL SERVICES	2017/18							2016/17	
	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
Consultants: Business and advisory services	-	-	34	34	34	-	100.0%	-	-
Laboratory services	243 466	-	(13 556)	229 910	229 910	-	100.0%	160 000	269 539
Legal services	-	-	5 754	5 754	5 754	-	100.0%	2 400	5 118
Contractors	29 721	-	(8 300)	21 421	21 421	-	100.0%	24 030	23 516
Agency and support / outsourced services	673 914	-	235 047	908 961	908 961	-	100.0%	903 219	769 991
Fleet services (including government motor transport)	728	-	83	811	811	-	100.0%	820	786
Inventory: Clothing material and accessories	1 514	-	433	1 947	1 947	-	100.0%	1 500	2 216
Inventory: Food and food supplies	7 816	-	(1 101)	6 715	6 715	-	100.0%	9 000	6 981
Inventory: Fuel, oil and gas	23 488	-	(3 441)	20 047	20 047	-	100.0%	39 000	35 481
Inventory: Materials and supplies	116	-	43	159	159	-	100.0%	100	174
Inventory: Medical supplies	525 069	-	22 711	547 780	547 780	-	100.0%	511 083	505 182
Inventory: Medicine	216 916	-	3 118	220 034	220 034	-	100.0%	208 242	215 791
Inventory: Other supplies	22 373	-	(2 569)	19 804	19 804	-	100.0%	1 087	1 247
Consumable supplies	9 702	-	137	9 839	9 839	-	100.0%	30 880	25 668
Consumable: Stationery, printing and office supplies	3 790	-	(81)	3 709	3 709	-	100.0%	5 105	3 775
Operating leases	1 056	-	219	1 275	1 275	-	100.0%	1 080	956
Property payments	130 778	-	(4 950)	125 828	125 828	-	100.0%	99 400	100 827
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	1
Travel and subsistence	775	-	(133)	642	642	-	100.0%	480	590
Operating payments	1 219	-	(391)	828	828	-	100.0%	1 560	1 342
Interest and rent on land	-	-	1	1	1	-	100.0%	40	40
Interest (Incl. interest on unitary payments (PPP))	-	-	1	1	1	-	100.0%	40	40

PROGRAMME 5: CENTRAL HOSPITAL SERVICES	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	11 696	-	19	11 715	31 646	(19 931)	270.1%	21 251	48 533
Departmental agencies and accounts	119	-	(60)	59	59	-	100.0%	53	53
Departmental agencies (non-business entities)	119	-	(60)	59	59	-	100.0%	53	53
Households	11 577	-	79	11 656	31 587	(19 931)	271.0%	21 198	48 480
Social benefits	10 947	-	79	11 026	11 026	-	100.0%	11 697	11 697
Other transfers to households	630	-	-	630	20 561	(19 931)	3263.7%	9 501	36 783
Payments for capital assets	99 566	-	(1 993)	97 573	77 642	19 931	79.6%	13 401	13 207
Buildings and other fixed structures	-	-	-	-	-	-	-	2 000	2 000
Other fixed structures	-	-	-	-	-	-	-	2 000	2 000
Machinery and equipment	99 566	-	(1 993)	97 573	77 642	19 931	79.6%	11 401	11 207
Transport equipment	1 000	-	(1 000)	-	-	-	-	500	-
Other machinery and equipment	98 566	-	(993)	97 573	77 642	19 931	79.6%	10 901	11 207
	4 681 578	**-**	**182 545**	**4 864 123**	**4 864 123**	**-**	**100.0%**	**4 534 157**	**4 534 157**

SUB PROGRAMME: 5.1: CENTRAL HOSPITAL SERVICES	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	2 259 165	-	203 403	2 462 568	2 462 568	-	100.0%	2 342 981	2 248 665
Compensation of employees	1 057 093	-	(17 298)	1 039 795	1 039 795	-	100.0%	969 232	969 232
Goods and services	1 202 072	-	220 700	1 422 772	1 422 772	-	100.0%	1 373 709	1 279 393
Interest and rent on land	-	-	1	1	1	-	100.0%	40	40

SUB PROGRAMME: 5.1: CENTRAL HOSPITAL SERVICES	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	4 023	-	(206)	3 817	3 817	-	100.0%	4 079	8 939
Departmental agencies and accounts	59	-	-	59	59	-	100.0%	53	53
Households	3 964	-	(206)	3 758	3 758	-	100.0%	4 026	8 886
Payments for capital assets	-	-	-	-	-	-	-	2 000	2 000
Buildings and other fixed structures	-	-	-	-	-	-	-	2 000	2 000
Total	**2 263 188**	**-**	**203 197**	**2 466 385**	**2 466 385**	**-**	**100.0%**	**2 349 060**	**2 259 604**

SUB PROGRAMME: 5.2: PROVINCIAL TERTIARY HOSPITAL SERVICES	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	2 311 151	-	(18 884)	2 292 267	2 292 267	-	100.0%	2 156 524	2 223 752
Compensation of employees	1 608 946	-	(33 748)	1 575 198	1 575 198	-	100.0%	1 523 178	1 523 178
Goods and services	702 205	-	14 864	717 069	717 069	-	100.0%	633 346	700 574
Transfers and subsidies	7 673	-	225	7 898	27 829	(19 931)	352.4%	17 172	39 594
Departmental agencies and accounts	60	-	(60)	-	-	-	-	-	-
Households	7 613	-	285	7 898	27 829	(19 931)	352.4%	17 172	39 594
Payments for capital assets	99 566	-	(1 993)	97 573	77 642	19 931	79.6%	11 401	11 207
Machinery and equipment	99 566	-	(1 993)	97 573	77 642	19 931	79.6%	11 401	11 207
Total	**2 418 390**	**-**	**(20 652)**	**2 397 738**	**2 397 738**	**-**	**100.0%**	**2 185 097**	**2 274 553**

PROGRAMME 6: HEALTH SCIENCE AND TRAINING

PROGRAMME 6 : HEALTH SCIENCE AND TRAINING	2017/18							2016/17	
	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	278 443	-	(12 415)	266 028	266 028	-	100.0%	275 627	275 229
EMS TRAINING COLLEGES	17 297	-	484	17 781	17 781	-	100.0%	16 542	16 542
BURSARIES	291 109	-	22 143	313 252	313 252	-	100.0%	322 376	322 878
PRIMARY HEALTH CARE TRAINING	50 985	-	(3 535)	47 450	47 450	-	100.0%	39 135	39 135
TRAINING OTHER	603 849	-	(2 310)	601 539	601 539	-	100.0%	547 394	547 290
	1 241 683	**-**	**4 367**	**1 246 050**	**1 246 050**	**-**	**100.0%**	**1 201 074**	**1 201 074**

PROGRAMME 6 : HEALTH SCIENCE AND TRAINING	2017/18							2016/17	
	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
Economic Classification									
Current payments	946 604	-	(12 906)	933 698	933 698	-	100.0%	887 101	887 101
Compensation of employees	890 053	-	(18 929)	871 124	871 124	-	100.0%	821 215	821 215
Salaries and wages	851 381	-	(19 728)	831 653	831 653	-	100.0%	782 713	782 713
Social contributions	38 672	-	799	39 471	39 471	-	100.0%	38 502	38 502
Goods and services	56 551	-	6 020	62 571	62 571	-	100.0%	65 883	65 883
Administrative fees	902	-	(127)	775	775	-	100.0%	528	516
Advertising	129	-	31	160	160	-	100.0%	47	106
Minor assets	443	-	156	599	599	-	100.0%	283	192

PROGRAMME 6 : HEALTH SCIENCE AND TRAINING	2017/18							2016/17	
	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
Bursaries: Employees	2 174	-	(951)	1 223	1 223	-	100.0%	2 014	1 854
Catering: Departmental activities	197	-	94	291	291	-	100.0%	386	388
Communication (G&S)	745	-	110	855	855	-	100.0%	752	753
Computer services	-	-	-	-	-	-	-	200	191
Consultants: Business and advisory services	-	-	18	18	18	-	100.0%	300	12
Legal services	-	-	58	58	58	-	100.0%	-	-
Contractors	7	-	(1)	6	6	-	100.0%	7	2
Agency and support / outsourced services	-	-	-	-	-	-	-	-	11
Fleet services (including government motor transport)	2 752	-	246	2 998	2 998	-	100.0%	2 368	2 547
Inventory: Clothing material and accessories	210	-	(45)	165	165	-	100.0%	17	19
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	14
Inventory: Learner and teacher support material	1 907	-	(1 324)	583	583	-	100.0%	225	222
Inventory: Materials and supplies	218	-	35	253	253	-	100.0%	15	17
Inventory: Medical supplies	203	-	(193)	10	10	-	100.0%	74	75
Inventory: Medicine	-	-	15	15	15	-	100.0%	-	-
Inventory: Other supplies	388	-	(69)	319	319	-	100.0%	-	-
Consumable supplies	801	-	(108)	693	693	-	100.0%	1 496	1 352
Consumable: Stationery, printing and office supplies	2 732	-	(232)	2 500	2 500	-	100.0%	1 922	1 824
Operating leases	2 958	-	(1 851)	1 107	1 107	-	100.0%	1 567	1 337
Property payments	8 884	-	(1 028)	7 856	7 856	-	100.0%	6 812	6 591
Travel and subsistence	26 939	-	2 687	29 626	29 626	-	100.0%	34 549	34 296
Training and development	3 728	-	7 948	11 676	11 676	-	100.0%	12 136	12 866
Operating payments	234	-	204	438	438	-	100.0%	175	298
Venues and facilities	-	-	347	347	347	-	100.0%	10	400

PROGRAMME 6 : HEALTH SCIENCE AND TRAINING	2017/18							2016/17	
	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
Interest and rent on land	-	-	3	3	3	-	100.0%	3	3
Interest (Incl. interest on unitary payments (PPP))	-	-	3	3	3	-	100.0%	3	3
Transfers and subsidies	287 832	-	22 539	310 371	310 371	-	100.0%	313 451	313 940
Provinces and municipalities	15	-	-	15	15	-	100.0%	-	-
Provinces	15	-	-	15	15	-	100.0%	-	-
Provincial agencies and funds	15	-	-	15	15	-	100.0%	-	-
Departmental agencies and accounts	18 850	-	-	18 850	18 850	-	100.0%	19 842	19 842
Departmental agencies (non-business entities)	18 850	-	-	18 850	18 850	-	100.0%	19 842	19 842
Households	268 967	-	22 539	291 506	291 506	-	100.0%	293 609	294 098
Social benefits	3 092	-	1 880	4 972	4 972	-	100.0%	2 135	2 135
Other transfers to households	265 875	-	20 659	286 534	286 534	-	100.0%	291 474	291 963
Payments for capital assets	7 247	-	(5 266)	1 981	1 981	-	100.0%	522	33
Machinery and equipment	7 247	-	(5 266)	1 981	1 981	-	100.0%	522	33
Transport equipment	3 000	-	(1 627)	1 373	1 373	-	100.0%	503	-
Other machinery and equipment	4 247	-	(3 639)	608	608	-	100.0%	19	33
	1 241 683	**-**	**4 367**	**1 246 050**	**1 246 050**	**-**	**100.0%**	**1 201 074**	**1 201 074**

SUB PROGRAMME: 6.1: NURSING TRAINING COLLEGES	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	271 731	-	(11 297)	260 434	260 434	-	100.0%	273 770	273 861
Compensation of employees	254 392	-	(7 007)	247 385	247 385	-	100.0%	259 987	259 987
Goods and services	17 339	-	(4 291)	13 048	13 048	-	100.0%	13 781	13 872
Interest and rent on land	-	-	1	1	1	-	100.0%	2	2
Transfers and subsidies	1 500	-	2 661	4 161	4 161	-	100.0%	1 335	1 335
Households	1 500	-	2 661	4 161	4 161	-	100.0%	1 335	1 335
Payments for capital assets	5 212	-	(3 779)	1 433	1 433	-	100.0%	522	33
Machinery and equipment	5 212	-	(3 779)	1 433	1 433	-	100.0%	522	33
Total	**278 443**	**-**	**(12 415)**	**266 028**	**266 028**	**-**	**100.0%**	**275 627**	**275 229**

SUB PROGRAMME: 6.2: EMS TRAINING COLLEGES	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	16 747	-	379	17 126	17 126	-	100.0%	16 542	16 542
Compensation of employees	14 142	-	(30)	14 112	14 112	-	100.0%	14 738	14 738
Goods and services	2 605	-	409	3 014	3 014	-	100.0%	1 804	1 804
Transfers and subsidies	15	-	103	118	118	-	100.0%	-	-
Provinces and municipalities	15	-	-	15	15	-	100.0%	-	-
Households	-	-	103	103	103	-	100.0%	-	-
Payments for capital assets	535	-	2	537	537	-	100.0%	-	-
Machinery and equipment	535	-	2	537	537	-	100.0%	-	-
Total	**17 297**	**-**	**484**	**17 781**	**17 781**	**-**	**100.0%**	**16 542**	**16 542**

SUB PROGRAMME: 6.3: BURSARIES	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	24 242	-	2 476	26 718	26 718	-	100.0%	30 902	30 902
Goods and services	24 242	-	2 476	26 718	26 718	-	100.0%	30 902	30 902
Transfers and subsidies	266 867	-	19 667	286 534	286 534	-	100.0%	291 474	291 976
Households	266 867	-	19 667	286 534	286 534	-	100.0%	291 474	291 976
Total	**291 109**	**-**	**22 143**	**313 252**	**313 252**	**-**	**100.0%**	**322 376**	**322 878**

SUB PROGRAMME: 6.4: PRIMARY HEALTH CARE TRAINING	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	49 085	-	(2 052)	47 033	47 033	-	100.0%	38 625	38 625
Compensation of employees	44 543	-	(2 609)	41 934	41 934	-	100.0%	33 815	33 815
Goods and services	4 542	-	557	5 099	5 099	-	100.0%	4 810	4 810
Transfers and subsidies	400	-	17	417	417	-	100.0%	510	510
Households	400	-	17	417	417	-	100.0%	510	510
Payments for capital assets	1 500	-	(1 500)	-	-	-	-	-	-
Machinery and equipment	1 500	-	(1 500)	-	-	-	-	-	-
Total	**50 985**	**-**	**(3 535)**	**47 450**	**47 450**	**-**	**100.0%**	**39 135**	**39 135**

Sub programme: 6.5: TRAINING OTHER	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	584 799	-	(2 412)	582 387	582 387	-	100.0%	527 262	527 171
Compensation of employees	576 976	-	(9 283)	567 693	567 693	-	100.0%	512 675	512 675
Goods and services	7 823	-	6 869	14 692	14 692	-	100.0%	14 586	14 495
Interest and rent on land	-	-	2	2	2	-	100.0%	1	1
Transfers and subsidies	19 050	-	91	19 141	19 141	-	100.0%	20 132	20 119
Departmental agencies and accounts	18 850	-	-	18 850	18 850	-	100.0%	19 842	19 842
Households	200	-	91	291	291	-	100.0%	290	277
Payments for capital assets	-	-	11	11	11	-	100.0%	-	-
Machinery and equipment	-	-	11	11	11	-	100.0%	-	-
Total	**603 849**	**-**	**(2 310)**	**601 539**	**601 539**	**-**	**100.0%**	**547 394**	**547 290**

PROGRAMME 7: HEALTH CARE SUPPORT SERVICES

PROGRAMME 7 : HEALTH CARE SUPPORT SERVICES	2017/18							2016/17	
	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	193 082	-	(24 517)	168 565	155 762	12 803	92.4%	264 603	241 603
ORTHOTIC AND PROSTHETIC SERVICES	36 272	-	6 168	42 440	42 440	-	100.0%	35 765	27 165
	229 354	**-**	**(18 349)**	**211 005**	**198 202**	**12 803**	**93.9%**	**300 368**	**268 768**

PROGRAMME 7 : HEALTH CARE SUPPORT SERVICES	2017/18							2016/17	
	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
Economic Classification									
Current payments	216 363	-	(14 068)	202 295	189 492	12 803	93.7%	290 123	268 086
Compensation of employees	108 440	-	(5 188)	103 252	103 252	-	100.0%	97 323	94 283
Salaries and wages	89 960	-	(4 997)	84 963	84 963	-	100.0%	79 463	77 184
Social contributions	18 480	-	(191)	18 289	18 289	-	100.0%	17 860	17 099
Goods and services	107 923	-	(8 883)	99 040	86 237	12 803	87.1%	192 800	173 803
Administrative fees	-	-	2	2	2	-	100.0%	1	1
Advertising	38	-	(9)	29	29	-	100.0%	55	45
Minor assets	194	-	(82)	112	112	-	100.0%	13	13
Communication (G&S)	1 067	-	15	1 082	1 082	-	100.0%	815	895

PROGRAMME 7 : HEALTH CARE SUPPORT SERVICES	2017/18							2016/17	
	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
Contractors	-	-	-	-	-	-	-	50	10
Agency and support / outsourced services	-	-	25	25	25	-	100.0%	25	-
Fleet services (including government motor transport)	4 933	-	(602)	4 331	4 331	-	100.0%	3 622	4 270
Inventory: Clothing material and accessories	864	-	67	931	931	-	100.0%	511	859
Inventory: Fuel, oil and gas	17 484	-	(2 713)	14 771	14 771	-	100.0%	6 437	4 156
Inventory: Materials and supplies	422	-	(86)	336	336	-	100.0%	150	103
Inventory: Medical supplies	13 592	-	(4 144)	9 448	9 448	-	100.0%	4 464	4 464
Inventory: Other supplies	43 708	-	(810)	42 898	30 095	12 803	70.2%	-	-
Consumable supplies	210	-	(200)	10	10	-	100.0%	153 661	134 686
Consumable: Stationery, printing and office supplies	260	-	(55)	205	205	-	100.0%	209	179
Operating leases	114	-	14	128	128	-	100.0%	116	101
Property payments	16 418	-	(499)	15 919	15 919	-	100.0%	13 605	13 601
Travel and subsistence	64	-	18	82	82	-	100.0%	66	60
Operating payments	8 555	-	176	8 731	8 731	-	100.0%	9 000	10 360
Interest and rent on land	-	-	3	3	3	-	100.0%	-	-
Interest (Incl. interest on unitary payments (PPP))	-	-	3	3	3	-	100.0%	-	-
Transfers and subsidies	777	-	484	1 261	1 261	-	100.0%	636	636
Households	777	-	484	1 261	1 261	-	100.0%	636	636
Social benefits	777	-	484	1 261	1 261	-	100.0%	636	636
Payments for capital assets	12 214	-	(4 765)	7 449	7 449	-	100.0%	9 609	46
Machinery and equipment	12 214	-	(4 765)	7 449	7 449	-	100.0%	9 609	46
Transport equipment	4 750	-	(2 468)	2 282	2 282	-	100.0%	1 000	-
Other machinery and equipment	7 464	-	(2 297)	5 167	5 167	-	100.0%	8 609	46
	229 354	**-**	**(18 349)**	**211 005**	**198 202**	**12 803**	**93.9%**	**300 368**	**268 768**

SUB PROGRAMME: 7.1: LAUNDRY SERVICES	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	187 565	-	(21 959)	165 606	152 803	12 803	92.3%	262 935	240 935
Compensation of employees	96 190	-	(17 942)	78 248	78 248	-	100.0%	77 000	73 997
Goods and services	91 375	-	(4 020)	87 355	74 552	12 803	85.3%	185 935	166 938
Interest and rent on land	-	-	3	3	3	-	100.0%	-	-
Transfers and subsidies	717	-	516	1 233	1 233	-	100.0%	622	622
Households	717	-	516	1 233	1 233	-	100.0%	622	622
Payments for capital assets	4 800	-	(3 074)	1 726	1 726	-	100.0%	1 046	46
Machinery and equipment	4 800	-	(3 074)	1 726	1 726	-	100.0%	1 046	46
Total	**193 082**	**-**	**(24 517)**	**168 565**	**155 762**	**12 803**	**92.4%**	**264 603**	**241 603**

SUB PROGRAMME: 7.2: ORTHOTIC AND PROSTHETIC SERVICES	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	28 798	-	7 891	36 689	36 689	-	100.0%	27 188	27 151
Compensation of employees	12 250	-	12 754	25 004	25 004	-	100.0%	20 323	20 286
Goods and services	16 548	-	(4 863)	11 685	11 685	-	100.0%	6 865	6 865
Transfers and subsidies	60	-	(32)	28	28	-	100.0%	14	14
Households	60	-	(32)	28	28	-	100.0%	14	14
Payments for capital assets	7 414	-	(1 691)	5 723	5 723	-	100.0%	8 563	-
Machinery and equipment	7 414	-	(1 691)	5 723	5 723	-	100.0%	8 563	-
Total	**36 272**	**-**	**6 168**	**42 440**	**42 440**	**-**	**100.0%**	**35 765**	**27 165**

PROGRAMME 8: HEALTH FACILITIES MANAGEMENT

PROGRAMME 8: HEALTH FACILITIES MANAGEMENT	2017/18							2016/17	
	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	133 051	-	-22 702	110 349	110 349	-	100.0%	129 290	142 856
DISTRICT HOSPITAL SERVICES	138 772	-	37 753	176 525	176 525	-	100.0%	151 612	165 189
PROVINCIAL HOSPITAL SERVICES	875 913	-	141 293	1 017 206	1 017 206	-	100.0%	890 828	863 523
CENTRAL HOSPITAL SERVICES	29 062	-	-20 071	8 991	8 991	-	100.0%	25 352	22 601
OTHER FACILITIES	281 180	-	-71 524	209 656	209 656	-	100.0%	223 493	226 406
	1 457 978	**-**	**64 749**	**1 522 727**	**1 522 727**	**-**	**100.0%**	**1 420 575**	**1 420 575**

PROGRAMME 8: HEALTH FACILITIES MANAGEMENT	2017/18							2016/17	
	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
Economic Classification									
Current payments	432 369	-	(6 625)	425 744	425 744	-	100.0%	419 595	419 726
Compensation of employees	55 096	-	4 896	59 992	59 992	-	100.0%	43 022	43 022
Salaries and wages	53 285	-	4 545	57 830	57 830	-	100.0%	41 823	41 823
Social contributions	1 811	-	351	2 162	2 162	-	100.0%	1 199	1 199
Goods and services	377 273	-	(11 521)	365 752	365 752	-	100.0%	376 573	376 704
Administrative fees	3	-	3	6	6	-	100.0%	3	7
Minor assets	13 986	-	(12 944)	1 042	1 042	-	100.0%	5 587	3 964
Consultants: Business and advisory services	61	-	-	61	61	-	100.0%	45	157
Infrastructure and planning services	-	-	-	-	-	-	-	-	61

PROGRAMME 8: HEALTH FACILITIES MANAGEMENT	2017/18							2016/17	
	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
Legal services	-	-	536	536	536	-	100.0%	-	528
Contractors	5 889	-	141	6 030	6 030	-	100.0%	108 243	109 662
Agency and support / outsourced services	-	-	22	22	22	-	100.0%	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	17
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	34
Inventory: Learner and teacher support material	7	-	(7)	-	-	-	-	-	-
Inventory: Materials and supplies	1 601	-	505	2 106	2 106	-	100.0%	3 752	1 403
Inventory: Medical supplies	-	-	716	716	716	-	100.0%	3 872	1 403
Inventory: Medicine	-	-	-	-	-	-	-	2	-
Consumable supplies	8 139	-	1 269	9 408	9 408	-	100.0%	32 150	31 187
Consumable: Stationery, printing and office supplies	6	-	18	24	24	-	100.0%	13	71
Operating leases	99 184	-	(4 601)	94 583	94 583	-	100.0%	98 301	83 109
Property payments	247 297	-	2 748	250 045	250 045	-	100.0%	124 378	144 797
Travel and subsistence	1 100	-	32	1 132	1 132	-	100.0%	227	302
Training and development	-	-	-	-	-	-	-	-	1
Operating payments	-	-	4	4	4	-	100.0%	-	1
Rental and hiring	-	-	37	37	37	-	100.0%	-	-
Payments for capital assets	1 025 609	-	71 374	1 096 983	1 096 983	-	100.0%	1 000 980	1 000 849
Buildings and other fixed structures	923 450	-	145 883	1 069 333	1 069 333	-	100.0%	900 525	908 917
Buildings	923 450	-	145 883	1 069 333	1 069 333	-	100.0%	900 525	908 917
Machinery and equipment	102 159	-	(74 509)	27 650	27 650	-	100.0%	100 455	91 932
Other machinery and equipment	102 159	-	(74 509)	27 650	27 650	-	100.0%	100 455	91 932
	1 457 978	**-**	**64 749**	**1 522 727**	**1 522 727**	**-**	**100.0%**	**1 420 575**	**1 420 575**

SUB PROGRAMME: 8.1: COMMUNITY HEALTH FACILITIES	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	79 057	-	(26 894)	52 163	52 163	-	100.0%	69 941	74 492
Goods and services	79 057	-	(26 894)	52 163	52 163	-	100.0%	69 941	74 492
Payments for capital assets	53 994	-	4 192	58 186	58 186	-	100.0%	59 349	68 364
Buildings and other fixed structures	38 902	-	39 298	78 200	78 200	-	100.0%	39 383	56 790
Machinery and equipment	15 092	-	(35 106)	(20 014)	(20 014)	-	100.0%	19 966	11 574
Total	**133 051**	**-**	**(22 702)**	**110 349**	**110 349**	**-**	**100.0%**	**129 290**	**142 856**

SUB PROGRAMME: 8.2: DISTRICT HOSPITAL SERVICES	2017/18							2017/18	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	72 368	-	(6 134)	66 234	66 234	-	100.0%	78 626	85 880
Goods and services	72 368	-	(6 134)	66 234	66 234	-	100.0%	78 626	85 880
Payments for capital assets	66 404	-	43 887	110 291	110 291	-	100.0%	72 986	79 309
Buildings and other fixed structures	50 000	-	65 528	115 528	115 528	-	100.0%	46 406	52 729
Machinery and equipment	16 404	-	(21 641)	(5 237)	(5 237)	-	100.0%	26 580	26 580
Total	**138 772**	**-**	**37 753**	**176 525**	**176 525**	**-**	**100.0%**	**151 612**	**165 189**

SUB PROGRAMME: 8.3: PROVINCIAL HOSPITAL SERVICES	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	105 868	-	5 004	110 872	110 872	-	100.0%	95 860	97 292
Goods and services	105 868	-	5 004	110 872	110 872	-	100.0%	95 860	97 292
Payments for capital assets	770 045	-	136 289	906 334	906 334	-	100.0%	794 968	766 231
Buildings and other fixed structures	770 382	-	76 707	847 089	847 089	-	100.0%	750 232	721 626
Machinery and equipment	(337)	-	59 582	59 245	59 245	-	100.0%	44 736	44 605
Total	**875 913**	**-**	**141 293**	**1 017 206**	**1 017 206**	**-**	**100.0%**	**890 828**	**863 523**

SUB PROGRAMME: 8.4: CENTRAL HOSPITAL SERVICES	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	26 062	-	(8 958)	17 104	17 104	-	100.0%	20 784	18 033
Goods and services	26 062	-	(8 958)	17 104	17 104	-	100.0%	20 784	18 033
Payments for capital assets	3 000	-	(11 113)	(8 113)	(8 113)	-	100.0%	4 568	4 568
Buildings and other fixed structures	25 000	-	(24 318)	682	682	-	100.0%	235	235
Machinery and equipment	(22 000)	-	13 205	(8 795)	(8 795)	-	100.0%	4 333	4 333
Total	**29 062**	**-**	**(20 071)**	**8 991**	**8 991**	**-**	**100.0%**	**25 352**	**22 601**

SUB PROGRAMME: 8.5: OTHER FACILITIES	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	149 014	-	30 357	179 371	179 371	-	100.0%	154 384	144 029
Compensation of employees	55 096	-	4 896	59 992	59 992	-	100.0%	43 022	43 022
Goods and services	93 918	-	25 461	119 379	119 379	-	100.0%	111 362	101 007
Payments for capital assets	132 166	-	(101 881)	30 285	30 285	-	100.0%	69 109	82 377
Buildings and other fixed structures	39 166	-	(11 332)	27 834	27 834	-	100.0%	64 269	77 537
Machinery and equipment	93 000	-	(90 549)	2 451	2 451	-	100.0%	4 840	4 840
Total	**281 180**	**-**	**(71 524)**	**209 656**	**209 656**	**-**	**100.0%**	**223 493**	**226 406**

NOTES TO THE APPROPRIATION STATEMENT

For the year ended 31 March 2018

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	836 655	836 655	0	0.00%
Spending balanced are Virement applied				
DISTRICT HEALTH SERVICES	19 233 130	19 226 776	6 354	0.03%
Under spending 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.				
EMERGENCY MEDICAL SERVICES	1 377 577	1 377 577	0	0.00%
Spending balanced after Virement applied				
PROVINCIAL HOSPITAL SERVICES	10 639 211	10 639 211	0	0.00%
Spending balanced after Virements applied				
ENTRAL HOSPITAL SERVICES	4 864 123	4 864 123	0	0.00%
Spending balanced after Virement applied				
HEALTH SCIENCES AND TRAINING	1 246 050	1 246 050	0	0.00%
Spending balanced after Virement applied				
HEALTH CARE SUPPORT SERVICES	211 005	198 202	12 803	6.07%
Under spending 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	1 522 727	1 522 727	0	0.00%
Spending balanced after Virement applied				

4.2 Per Economic Classification

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Current expenditure				
Compensation of employees	24 614 793	24 614 793	0	0.00%
Goods and services	12 329 935	12 343 292	-13 357	-0.11%
Interest and rent on land	3 301	3 301	0	0.00%
Transfers and subsidies				
Provinces and municipalities	210 302	225 674	-15 372	-7.31%
Departmental agencies and accounts	19 280	19 280	0	0.00%
Non-profit institutions	143 454	141 396	2 058	1.43%
Households	830 457	862 357	-31 900	-3.84%
Payments for capital assets				
Buildings and other fixed structures	1 072 133	1 069 333	2 800	0.26%
Machinery and equipment	598 477	523 549	74 928	12.52%
Payments for financial assets	108 346	108 346	0	0.00%

Saving applied in respect of cost containment Treasury circular. Overspending within households are due to increase in payments for Medical Legal Claims. Overspending for good and services due to fuel price increase.

4.3 Per Conditional Grant

4.3 Per conditional grant	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Health				
National Tertiary Services Grant	1 696 266	1 696 266	0	0.00%
Comprehensive HIV / AIDS Grant	4 852 495	4 852 495	0	0.00%
Health Facility Revitalisation Grant	1 149 355	1 151 564	-2 209	-0.19%
Health Professional & Training Grant	331 944	331 944	0	0.00%
National Health Insurance	311	311	0	0.00%
Social Sector EPWP Incentive Grant for Provinces	47 058	47 058	0	0.00%
EPW Integrated Grant to Province	8 400	8 400	0	0.00%

Overspending on Health Revitalisation Grant due to Infrastructure Projects

STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 31 March 2018

	Note	2017/18	2016/17
		R'000	R'000
REVENUE			
Annual appropriation	1	39 930 478	37 039 000
Department Revenue	2	297 772	298 104
TOTAL REVENUE		**40 228 250**	**37 337 104**
EXPENDITURE			
Current expenditure			
Compensation of employees	4	24 614 792	23 354 895
Goods and services	5	12 343 293	11 382 842
Interest and Rent on land		3 301	2 123
Total current expenditure		**36 961 386**	**34 739 860**
Transfers and subsidies			
Transfers and subsidies	8	1 248 706	1 035 658
Total transfers & subsidies		**1 248 706**	**1 035 658**
Expenditure for capital assets			
Tangible capital assets	9	1 592 883	1 106 315
Total expenditure for capital assets		**1 592 883**	**1 106 315**
Unauthorised expenditure approved without funding		107 608	107 607
Payments for Financial Assets	7	738	36 957
TOTAL EXPENDITURE		**39 911 321**	**37 026 397**
SURPLUS/ (DEFICIT) FOR THE YEAR		**316 929**	**310 707**

Reconciliation of Net Surplus/ (Deficit) for the year			
Voted Funds		19 157	12 603
Annual Appropriation		-	12 603
Departmental Revenue and NRF Receipts	15	297 772	298 104
SURPLUS / DEFICIT FOR THE YEAR		**316 929**	**310 707**

STATEMENT OF FINANCIAL POSITION

For the year ended 31 March 2018

	Note	2017/18	2016/17
		R'000	R'000
ASSETS			
Current Assets		41 439	320 210
Unauthorised expenditure	10	18 996	273 723
Cash and Cash Equivalent	11	470	297
Receivables	13	21 973	46 190
Non-Current Assets		5 647	2 421
Receivables		5 647	2 421
TOTAL ASSETS		**47 086**	**322 631**
LIABILITIES			
Current Liabilities		37 424	312 506
Voted funds to be surrendered to the Revenue Fund	14	19 154	31 600
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	15	12 135	19 588
Bank overdraft	16	(8 087)	245 409
Payables	17	14 222	15 909
TOTAL LIABILITIES		**37 424**	**312 506**
NET ASSETS		**9 662**	**10 125**
Represented by:			
Recoverable revenue		9 662	10 125
TOTAL		**9 662**	**10 125**

STATEMENT OF CHANGES IN NET ASSETS

For the year ended 31 March 2018

	Note	2017/18	2016/17
		R'000	R'000
Recoverable revenue			
Opening balance		10 125	13 892
Transfers		(463)	(3 767)
Debts revised		(7 139)	(1 159)
Debts recovered (included in departmental receipts)		(6 879)	(23 177)
Debts raised		13 555	20 569
Closing balance		**9 662**	**10 125**

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

	Note	2017/18	2016/17
		R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		**40 221 353**	**37 336 134**
Annual appropriated funds received	*1.1*	39 930 478	37 039 000
Departmental revenue received	*2*	290 730	293 818
Interest received		145	3 316
Net (increase)/ decrease in working capital		274 031	288 157
Surrendered to Revenue Fund		(336 828)	(291 895)
Current payments		(37 065 693)	(34 826 347)
Interest paid		(3 301)	(2 123)
Payments for Financial Assets		(738)	(36 957)
Transfers and subsidies paid		(1 248 706)	(1 035 658)
Net cash flow available from operating activities	*18*	**1 840 118**	**1 431 311**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	*9*	(1 592 883)	(1 106 315)
Proceeds from sale of capital assets	*2.4*	6 897	970
Net cash flows from investing activities		**(1 585 986)**	**(1 105 345)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/ (decrease) in net assets		(463)	(3 767)
Net cash flows from financing activities		**(463)**	**(3 767)**
Net increase/ (decrease) in cash and cash equivalents		253 669	322 199
Cash and cash equivalents at beginning of period		(245 112)	(567 311)
Cash and cash equivalents at end of period	*19*	**8 557**	**(245 112)**

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

Summary of significant accounting policies

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** The financial statements have been prepared in accordance with the Modified Cash Standard.
2	**Going concern** The financial statements have been prepared on a going concern basis.
3	**Presentation currency** Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.
4	**Rounding** Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
5	**Foreign currency translation** 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** 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** 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** 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** 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** 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** Salaries and wages are recognised in the statement of financial performance on the date of payment.
8.1.2	**Social contributions** 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** 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** Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.
8.4	**Leases**
8.4.1	**Operating 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** 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** 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** 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** 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** 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** Payables recognised in the statement of financial position are recognised at cost.
13	**Capital Assets**
13.1	**Immovable capital assets** Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use. Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.
13.2	**Movable 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 forms part of the cost of the existing asset when ready for use.
13.3	**Intangible 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 of a capital nature forms part of the cost of the existing asset when ready for use.
13.4	**Project Costs: Work-in-progress** Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid. Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register. Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.
14	**Provisions and Contingents**
14.1	**Provisions** 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** 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** 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** 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** 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** 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** 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** Changes in accounting policies that are effected 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 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** 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** At the date of acquisition, inventories are recognised at cost in the statement of financial performance. Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition. Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value. The cost of inventories is assigned by using the weighted average cost basis.
23	**Public-Private Partnerships** 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** 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	2017/18 Actual Funds received R'000	Funds not requested/ not received R'000	Final Appropriation R'000	2016/17 Appropriation received R'000
Administration	836 655	836 655	-	845 674	845 674
District Health Services	19 233 130	19 233 130	-	17 709 086	17 709 086
Emergency Medical Services	1 377 577	1 377 577	-	1 209 263	1 209 263
Provincial Hospital Services	10 639 211	10 639 211	-	9 818 803	9 818 803
Central Hospital Services	4 864 123	4 864 123	-	4 534 157	4 534 157
Health Sciences and Training	1 246 050	1 246 050	-	1 201 074	1 201 074
Health Care Support Services	211 005	211 005	-	300 368	300 368
Health Facilities Management	1 522 727	1 522 727	-	1 420 575	1 420 575
Total	**39 930 478**	**39 930 478**	**-**	**37 039 000**	**37 039 000**

1.2 Conditional grants

	Note	2017/18 R'000	2016/17 R'000
Total grants received	*Annexure 1A*	8 085 829	7 313 167
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

Sales of goods and services other than capital assets	*2.1*	268 988	256 922
Fines, penalties and forfeits	*2.2*	70	36
Interest, dividends and rent on land	*2.3*	145	3 316
Sales of capital assets	*2.4*	6 897	970
Transactions in financial assets and liabilities	*2.5*	21 672	36 860
Total Revenue Collected		**297 772**	**298 104**
Departmental revenue collected		**297 772**	**298 104**

		Note	2017/18	2016/17
			R'000	R'000
2.1	**Sales of goods and services other than capital assets**	2		
	Sales of goods and services produced by the department		268 410	246 707
	Sales by market establishment		15 179	14 848
	Administrative Fees		7 192	6 382
	Other sales		246 039	225 477
	Sales of scrap, waste and other used current goods		578	10 215
	Total		**268 988**	**256 922**
2.2	**Fines, penalties and forfeits**	2		
	Penalties		56	36
	Forfeits		14	-
	Total		**70**	**36**
2.3	**Interest, dividends and rent on land**	2		
	Interest		**145**	**3 316**
2.4	**Sales of capital assets**	2		
	Tangible Assets		6 897	970
	Machinery and Equipment	2	6 897	970
2.5	**Transactions in Financial assets and liabilities**	2		
	Receivables		21 657	36 838
	Stale cheques written back		-	-
	Other receipts including recoverable revenue		15	22
	Total		**21 672**	**36 860**
3.	**Aid assistance**			
3.1	Opening Balance		-	-
	Prior period error		-	-
	As restated		-	-
	Transferred from statement of financial performance		-	-
	Paid during the year		-	-
	Closing balance		**-**	**-**

		Note	2017/18	2016/17
			R'000	R'000
4.	**Compensation of employees**			
4.1	**Salaries and wages**			
	Basic Salary		16 056 951	15 253 357
	Performance award		9 076	4 544
	Service Based		17 035	24 803
	Compensative/circumstantial		2 255 577	2 101 818
	Periodic payments		31 402	32 656
	Other non-pensionable allowances		3 152 656	2 998 266
	Total		**21 522 697**	**20 415 444**
4.2	**Social contributions**			
	Employer contributions			
	Pension		1 951 493	1 855 172
	Medical		1 135 512	1 078 939
	UIF		68	219
	Bargaining council		5 022	5 121
	Total		**3 092 095**	**2 939 451**
	Total compensation of employees		**24 614 792**	**23 354 895**
	Average number of employees		79 639	81 969
5.	**Goods and services**			
	Administrative fees		5 113	3 358
	Advertising		21 748	23 118
	Minor Assets	5.1	44 876	32 051
	Bursaries (employees)		1 224	1 892
	Catering		3 016	5 029
	Communication		103 890	116 890
	Computer services	5.2	132 348	163 632
	Laboratory services		2 043 678	1 618 866
	Legal services		84 776	34 844
	Contractors		171 100	212 791
	Agency and support / outsourced services		1 287 158	1 096 610

	Note	2017/18	2016/17
		R'000	R'000
Entertainment		-	8
Audit cost - External	5.3	24 298	15 596
Fleet services		375 933	301 898
Inventory	5.4	5 698 572	5 384 928
Consumables	5.5	200 006	509 617
Operating leases		137 568	139 456
Property payments	5.6	1 817 722	1 518 449
Transport provided as part of the departmental activities		85 230	79 853
Travel and subsistence	5.7	73 543	83 199
Venues and facilities		1 520	1 439
Training and development		12 681	16 791
Other operating expenditure	5.8	17 293	22 527
Total		**12 343 293**	**11 382 842**

5.1 Minor Assets

5

Tangible assets	44 876	32 051
Machinery and equipment	44 876	32 051
Total	**44 876**	**32 051**

5.2 Computer services

SITA computer services (5)	120 822	138 383
External computer service providers	11 526	25 249
Total	**132 348**	**163 632**

5.3 Audit cost – external

5

Regularity audits	24 298	15 596
Total	**24 298**	**15 596**

5.4 Inventory

5

Food and food supplies	113 942	121 051
Fuel, oil and gas	74 265	140 417
Materials and supplies	196 443	21 840

		Note	2017/18	2016/17
			R'000	R'000
	Medical supplies		1 649 213	1 545 564
	Medicine		3 664 709	3 556 056
	Total		**5 698 572**	**5 384 928**
5.5	**Consumables**	5		
	Consumable supplies		120 592	420 534
	Uniform and clothing		101 958	98 130
	Household supplies		7 509	288 637
	Building material and supplies		10 743	30 669
	IT consumables		308	819
	Other consumables		74	2 279
	Stationery, printing and office supplies		79 414	89 083
	Total		**200 006**	**509 617**
5.6	**Property Payment**	5		
	Municipal Services		616 022	529 771
	Property maintenance and repairs		246 239	144 968
	Other		955 461	843 710
	Total		**1 817 722**	**1 518 449**
5.7	**Travel and subsistence**	5		
	Local		49 404	55 222
	Foreign		24 139	27 977
	Total		**73 543**	**83 199**
5.8	**Other operating expenditure**	5		
	Professional bodies, membership and subscription fees		1 969	2 153
	Resettlement costs		5 505	7 901
	Other		9 819	12 473
	Total		**17 293**	**22 527**

			2017/18	2016/17
			R'000	R'000
6.	**Interest and Rent on Land**			
	Interest paid		3 301	2 123
	Total		**3 301**	**2 123**
7.	**Payment for Financial Assets**			
	Material losses through criminal conduct		-	-
	Theft		-	-
	Other material losses written off		-	30
	Debts written off		738	36 927
	Total		**738**	**36 957**
7.1	**Other material losses written off**	7		
	Nature of losses			
	Expired Inventory		-	30
	Total		**-**	**30**
7.2	**Debts written off**	7		
	Nature of debts written off			
	Other debt written off			
	Debts written off		738	36 927
	Total		**738**	**36 927**
7.3	**Details of theft**	7		
	Nature of theft		-	-
	Total		**-**	**-**
8.	**Transfers and subsidies**			
	Provinces and municipalities	Annexure 1B	225 674	159 754
	Departmental agencies and accounts	Annexure 1C	19 280	20 130
	Public corporations and private enterprises		-	-
	Non-profit institution	Annexure 1E	141 395	203 929
	Households	Annexure 1F	862 357	651 845
	Total		**1 248 706**	**1 035 658**

		Note	2017/18	2016/17
			R'000	R'000
9.	**Expenditure for capital assets**			
	Tangible assets	32	1 592 883	1 106 315
	Buildings and other fixed structures		1 069 333	910 917
	Machinery and equipment		523 550	195 398
	Intangible assets			
	Software		-	-
	Total		**1 592 883**	**1 106 315**

9.1 Analysis of funds utilised to acquire capital assets — **2017/18**

	Voted Funds	Aid assistance	TOTAL
	R'000	R'000	R'000
Tangible assets	**1 592 883**	**-**	**1 592 883**
Buildings and other fixed structures	1 069 333	-	1 069 333
Machinery and equipment	523 550	-	523 550
Intangible assets	-	-	-
Software	-	-	-
Total	**1 592 883**	**-**	**1 592 883**

9.2 Analysis of funds utilised to acquire capital assets- **2016/17**

Tangible Assets	**1 106 315**	**-**	**1 106 315**
Buildings and other fixed structures	910 917	-	910 917
Machinery and equipment	195 398	-	195 398
Software	-	-	-
Total	**1 106 315**	**-**	**1 106 315**

		Note	2017/18	2016/17
			R'000	R'000
10.	**Unauthorised expenditure**			
10.1	**Reconciliation of unauthorised expenditure**			
	Opening balance		273 723	490 027
	As restated		273 723	490 027
	Unauthorised expenditure- discovered in current year(as restated)		-	18 997
	Less: Amount approved by parliament/ legislature with funding		(147 119)	(127 694)
	Less: Amounts approved by Parliament/Legislature without funding and written off in the Statement of Financial Performance		(107 608)	(107 607)
	Current		(107 608)	(107 607)
	Closing balance		**18 996**	**273 723**
	Analysis of closing balance			
	Unauthorised expenditure awaiting authorisation		18 996	-
	Total		**18 996**	**-**
10.2	**Analysis of unauthorised expenditure awaiting authorisation per economic classification**			
	Current		18 996	273 723
	Total		**18 996**	**273 723**
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		18 996	273 723
	Total		**18 996**	**273 723**

10.4 Unauthorised expenditure split into current and non-current asset

	2017/18			2016/17		
	Current	Non-current	Total	Current	Non-current	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Awaiting Authorisation	-	18 996	18 996	-	-	-
Total	**-**	**18 996**	**18 996**	**-**	**-**	**-**

	2017/18	2016/17
	R'000	R'000

11. Cash and cash equivalents

Cash receipts	176	6
Cash on hand	294	291
Total	**470**	**297**

12. Prepayments and advances

Travel and subsistence	-	-
Total	**-**	**-**

13. Receivable

	Note	2017/18 Current	2017/18 Non-current	2017/18 Total	2016/2017 Current	2016/2017 Non-current	2016/2017 Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	13.1	4 240	-	4 240	23 367	-	23 367
Recoverable Expenditure	13.2	4 229	-	4 228	4 668	-	4 668
Staff debt	13.3	13 504	5 647	19 152	18 152	2 421	20 573
Other debtors	13.4	-	-	-	3	-	3
Total		**21 973**	**5 647**	**27 620**	**46 190**	**2 421**	**48 611**

	Note	2017/18	2016/17
		R'000	R'000

13.1 Claims recoverable

	13		
National departments		-	14 511
Provincial departments		2 350	1 378
Public entities		615	572
Higher education institutions		1 275	6 584
Local governments		-	322
Total		**4 240**	**23 367**

		Note	2017/18	2016/17
			R'000	R'000
13.2	**Recoverable Expenditure (disallowance accounts)**	13		
	Disallowance dishonoured cheque		-	-
	Salary Income Tax		565	1 245
	Disallowance miscellaneous		-	4
	Salary deduction disallowance		128	71
	Disallowances Damages and losses		(5 599)	(11 861)
	Disallowances Damages and losses		5 599	11 861
	Salary Reversal Control		-	-
	Salary Pension Fund		818	630
	Salary Finance other Institutions		-	-
	Advance National Departments		2 717	2 718
	Total		**4 228**	**4 668**
13.3	**Staff debt**	13		
	Breach of Contract		2 490	2 275
	Employee Debt Salary overpayment		13 745	13 243
	Fruitless and wasteful		34	5
	Government Accidents		-	17
	Fraud		1 146	-
	Supplier Debt		28	101
	Telephone Debt		-	2
	Salary related Debts / Salary OSD / Rwops/ leave without Pay		-	3 116
	Tax Debt		1 698	1 807
	Travel and Subsistence		11	7
	Total		**19 152**	**20 573**
13.4	**Other debtors**	13		
	Medsas Clearing account		-	3
	Revenue Accrual/ Exchequer		-	-
	Total		**-**	**3**

		Note	2017/18	2016/17
			R'000	R'000
13.5	**Impairment of receivables**	13		
	Estimate of impairment of receivables		-	330
	Total		**-**	**330**

14. Voted funds to be surrendered to the Revenue Fund

Opening balance	31 600	6 386
As restated	31 600	6 386
Transfer from Statement of Financial Performance (as restated)	19 157	12 603
Add: Unauthorised expenditure for current year (10)	-	18 997
Paid during the year	(31 603)	(6 386)
Closing balance	**19 154**	**31 600**

Bas conversion balance 3,000 with regards to payover

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

Opening balance	19 588	6 993
As restated	19 588	6 993
Transfer from Statement of Financial Performance (as restated)	297 772	298 104
Paid during the year	(305 225)	(285 509)
Closing balance	**12 135**	**19 588**

16. Bank overdraft

Consolidated Paymaster General Account	(8 087)	245 409
Total	**(8 087)**	**245 409**

17. Payables - current

Clearing accounts	17.1	14 222	15 909
Other payables	17.2	-	-
Total		**14 222**	**15 909**

		Note	2017/18	2016/17
			R'000	R'000
17.1	**Clearing account**	17		
	Sal ACB Recalls		62	678
	Sal Garnishee Order		101	64
	Sal Medical Aid		2	-
	Adv: Dom/Prov KZN		6 671	11 257
	Sal Reversal Control		332	2 843
	Sal Pension Debt		-	70
	Sal: GEH Refund Control Account		7 054	997
	Total		**14 222**	**15 909**
17.2	**Other payables**	17		
	Medsas Clearing Account		-	-
	Total		**-**	**-**

18. Net cash flow available from operating activities

Net surplus / (deficit) as per Statement of Financial Performance	316 929	310 707
Add back non-cash movements/ movements not deemed operating activities:	1 523 189	1 120 604
(Increase/decrease in receivables	20 991	127 936
Increase)/decrease in prepayments and advances	-	10
(Increase)/decrease in other current assets	254 727	235 301
Increase/(decrease) in payables – current	(1 687)	(56 093)
Proceeds from sale of capital assets	(6 897)	(970)
Expenditure on capital assets	1 592 883	1 106 315
Surrenders to revenue fund	(336 828)	(291 895)
Net cash flow generated by operating activities	**1 840 118**	**1 431 311**

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

Consolidated Paymaster General Account	8 087	(245 409)
Cash receipts	176	6
Cash on hand	294	291
Total	**8 557**	**(245 112)**

				2017/18	2016/17
		Nature	Note	R'000	R'000
20.	**Contingent liabilities and Contingent Assets**				
	Contingent liabilities				
20.1	**Liable to**				
	Housing loan guarantees	Employees	Annex 2A	1 146	2 713
	Claims against the department		Annex 2B	17 481 786	14 105 291
	Intergovernmental payables (unconfirmed balances)		Annex 4	753 752	-
	Other			75 000	2 800 449
	Total			**18 311 684**	**16 908 453**

The comparative balance was re-stated due claims omitted in 2016/2017 financial year. Kindly refer to Note 34 for further details

Contingent assets		
Nature of contingent asset		
Recoveries for Commuted overtime	-	479
Total	**-**	**479**

Prior year restated after investigation

21. Commitments

Current expenditure		
Approved and contracted	588 044	598 912
Sub Total	588 044	598 912
Capital expenditure		
Approved and contracted	818 501	1 312 000
Sub Total	818 501	1 312 000
Total Commitments	1 406 545	1 910 912

		30 Days	30+ Days	2017/18 Total	2016/17 Total
		R'000	R'000	R'000	R'000
22.	**Accruals, Payables not recognised**				
22.1	**Listed by economic classification**				
	Goods and services	286 107	3 344	289 451	439 750
	Transfers and subsidies	-	-	-	-
	Capital Assets	42 809	358	43 167	6 783
	Total	**328 916**	**3 702**	**332 618**	**446 533**

Listed by programme level	2017/18 R'000	2016/17 R'000
Administration	142 445	240 623
District Health Services	99 533	58 463
Emergency Medical Services	9 864	9 197
Provincial Hospital Services	28 425	19 591
Central Hospital Services	2 517	92 522
Health Service and Training	9 091	1 156
Health Care Support	2 574	3 130
Health Facilities Management	38 169	21 851
Total	**332 618**	**446 533**

		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	489 487	27 120	516 607	790 327
	Transfers and subsidies	-	-	-	-
	Capital assets	45 461	6 408	51 869	69 561
	Total	**534 948**	**33 528**	**568 476**	**859 888**

		2017/18	2016/17
Listed by programme level		**R'000**	**R'000**
Administration		152 362	46 430
District Health Services		176 693	344 364
Emergency Medical Services		1 087	50 282
Provincial Hospital Services		104 574	269 372
Central Hospital Services		70 829	85 235
Health Services and Training		8 277	2 672
Health Care Support		14 931	14 154
Health Facilities Management		39 723	47 379
Total		**568 476**	**859 888**
***Included* in the above totals are the following:**			
Confirmed balances with other departments	*Annex 4*	45 925	31 977
Confirmed balances with other government entities	*Annex 4*	396 797	647 928
Total		**442 722**	**679 905**

23. Employee benefit

Leave entitlement	897 380	850 275
Service Bonus (Thirteenth cheque)	624 357	589 879
Capped leave commitments	599 865	619 115
Other	24 383	20 044
Total	**2 145 985**	**2 079 313**

Other relates to Long service awards R22,424 million and Arear payments of R1,959 million

24. Lease commitments

24.1 Operating leases expenditure

2017/18	Specialised military assets	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	21 950	11 852	33 802
Later than 1 year and not later than 5 years	-	-	31 729	20 411	52 140
Total lease commitments	**-**	**-**	**53 679**	**32 263**	**85 942**

2016/17					
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**

24.2 Finance leases

2017/18					
Not later than 1 year	-	-	-	1 407	1 407
Later than 1 year and not later than 5 years-		-	-	861	861
Total lease commitments	**-**	**-**	**-**	**2 268**	**2 268**

2016/17					
Not later than 1 year	-	-	-	857	857
Later than 1 year and not later than 5 years	-	-	-	115	115
Total lease commitments	**-**	**-**	**-**	**972**	**972**

This note excludes leases relating to public private partnerships as they are separately disclosed to note no. 35.

	2017/18	2016/17
	R'000	R'000
25. Accrued Departmental Revenue		
Sales of goods and services other than capital assets	187 495	205 221
Other	46 323	36 156
Total	**233 818**	**241 377**
25.1 Analysis of accrued departmental revenue		
Opening Balances	241 377	225 250
Less: Amounts received	145 121	112 984
Add: Amounts recognised	215 298	158 712
Less: Amounts written-off/reversed as irrecoverable	77 736	29 601
Closing balance	**233 818**	**241 377**
25.2 Accrued Department Revenue written off		
Nature of losses		
Patient Fees written off as irrecoverable	20 970	6 477
Patient fees reduced due to category reduction	56 766	23 124
Total	**77 736**	**29 601**
25.3 Impairment of accrued departmental revenue		
Estimate of impairment of accrued departmental revenue	18 731	28 706
Total	**18 731**	**28 706**
26. Irregular Expenditure		
26.1 Reconciliation of irregular expenditure		
Opening balance	7 491 777	4 327 490
Prior period error	-	365 201
As restated	7 491 777	4 692 691
Add: Irregular expenditure - relating to prior year	-	1 474 002
Add: Irregular expenditure - relating to current year	1 464 342	1 325 084
Irregular expenditure awaiting condonation	**8 956 119**	**7 491 777**

	2017/18	2016/17
	R'000	R'000
Analysis of awaiting condonation per age classification		
Current year	1 464 342	2 799 086
Prior years	7 491 777	4 692 691
Total	**8 956 119**	**7 491 777**

Irregular Expenditure for prior period adjusted by R365,201 million due to qualification

26.2 Details of irregular expenditure -

Incident	Current year Disciplinary steps taken/criminal proceedings	2017/18 R'000
Expired Contracts month to month	To investigate SCM processes and policies not followed	64 1673
Procured Over 30,000 without advertising	To investigate SCM processes and policies not followed	198 470
Incomplete Documentation	To investigate SCM processes and policies not followed	121 175
Procurement off Expired Contracts	To investigate SCM processes and policies not followed	101 461
Various other SCM non compliance	To investigate SCM processes and policies not followed	196 596
Expired Rental Building contracts	To investigate	18 944
Contracts under Litigation and Appeals	Contracts that has to be used due legal process	186 023
Total		**1 464 342**

26.3 Prior period error

	2016/17 R'000
Nature of prior period error	
Irregular Expenditure for 2016/2017 identified after audit findings	365 201
	365 201
Relating to 2016/17	**-**
Previously disclosed as Irregular Not In The Main Note in 2015/16	-
Condoned & Not recoverable amount in 2015/16 Note	-
Total	**365 201**

		2017/18	2016/17
27	**Fruitless and wasteful expenditure**	**R'000**	**R'000**
27.1	**Reconciliation of fruitless and wasteful expenditure**		
	Opening balance	5 763	8 980
	As restated	5 763	8 980
	Fruitless and wasteful expenditure – relating to current year	3 186	5 763
	Closing balance	**8 949**	**5 763**

		2017/18
27.2	**Analysis of awaiting resolution per economic classification**	
	Current	3 186
	Total	**3 186**

			2017/18
27.3	**Analysis of Current Year's Fruitless and wasteful expenditure**		**R'000**
	Incident	**Disciplinary steps taken/criminal proceedings**	
	Municipal Interest	To Investigate	1 097
	Intrest Other	To Investigate	14
	Expired Stock	Been through Board of Survey to finalise outcome	2 016
	Duplicate Supplier	To Investigate	35
	Penalties	To Investigate	-
	SCM Related	To Investigate	7
	HR Related	To Investigate	10
	S&T Cancelled Bookings Paid for		7
	Total		**3 186**

		2017/18 R'000	2016/17 R'000
28.	**Related party transactions**		
	Year end balances arising from revenue/payments		
	Payables to related parties	382 264	174 710
	Total	**382 264**	**174 710**

PPSD is a related Party to the Department for the procurement of medication for distribution and supply to Institutions. PPSD financial statements will be incorporated into the Departmental Financial under program 7 for the 2018/2019 financial year.

		No of Individuals	2017/18 R'000	2016/17 R'000
29.	**Key management personnel**			
	Political office bearers	1	1 978	1 902
	Officials:			
	Level 15 to 16	8	10 440	11 421
	Level 14 (incl CFO if at a lower level)	17	19 951	13 513
	Family members of key management personnel	12	8 624	7 540
	Total		**40 993**	**34 376**

Public Private Partnership

Inkosi Albert Luthuli Central Hospital PPP

The Department has in place a public private partnership agreement with Cowslip Investments (Pty) Ltd and Impilo Consortium for the delivery of non-clinical services to the Inkosi Albert Luthuli Central Hospital. The Department is satisfied that the performance of the PPP partners was adequately monitored in terms of the provisions of the agreement.

The Department has the right to the full use of the assets and the consortium may not pledge the assets as security against any borrowings for the duration of the agreement.

The Impilo Consortium is responsible for the provision of the following goods and services:

- supply of Equipment and IM&T Systems that are State of the Art and replace the Equipment and IM&T Systems so as to ensure that they remain State of the Art;
- supply and replacement of Non-Medical Equipment;
- provision of all Services necessary to manage the Project Assets in accordance with Best Industry Practice;
- maintenance and replacement of the Departmental Assets in terms of the replacement schedules;
- provision or procurement of Utilities and Consumables and Surgical Instruments; and
- Provision of Facilities Management Services.

The agreement was concluded with a view to provide the Department with the opportunity to concentrate on the delivery of clinical services at the highest standards in terms of quality, efficiency, effectiveness and patient focussed care.

The Department is responsible for the employment of all healthcare staff and the administration staff, together with the provision of all consumables used in the provision of the healthcare services.

Impilo Consortium is required at its own cost and risk to provide, deliver, Commission, manage, maintain and repair (as the case may be) Project Assets and Department Assets (or part thereof), including the renewal or replacement of Project Assets and Department Assets at such times and in such manner as to enable it to meet the IM&T Output Specifications and the FM Output Specifications; as to ensure that the Department is, at all times, able to provide Clinical Services that

fulfil Hospital's Output Specifications using State of the Art Equipment and IM&T Systems; as would be required having regard to Best Industry Practice; and as required by Law.

The replacement of assets over the period of the contract is based on the Replacement Programme which operates on a rolling basis. To that end, at least 1 (one) month prior to the start of each Contract Year thereafter, Impilo Consortium is required to furnish to the Asset Replacement Committee for approval a revised Replacement Programme.

The assets will only transfer to the Department at the end of the period of the agreement.

The Impilo Consortium has to ensure that, at the end of the Project Term the Project Assets and Department Assets comply with the requirements of the Agreement and are in a state of repair which is sound and operationally safe, fair wear and tear excepted and the items comprising each level of Project Assets specified in the agreement between them have an average remaining useful life not less than one third of the original useful life.

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:

2018/2019 R710 million

2019/2020 R737 million

Total Obligation to remaining period is R 1,447 billion

		2017/18	2016/17
		R'000	R'000
30.	**Unitary fee paid**	**875 145**	**793 393**
	Indexed component	875 145	793 393
	Analysis of indexed component	**875 145**	**793 393**
	Goods and Services(excluding lease payments)	875 145	793 393
		2017/18	**2016/17**

	R'000	R'000
Capital/(Liabilities)	**718 070**	**788 105**
Plant and equipment	718 070	788 105
Other	**1 447**	**2 097 000**
Other obligations	1 447	2 097 000

Any guarantees issued by the department are disclosed in Note 25.1

31. Provisions

Infrastructure Capital retentions	9 169	22 783
National Health Laboratory Service	1 536 924	-
	1 546 093	**22 783**

31.1 Reconciliation of movement in provisions - 2017/18

	Provision 1	Provision 2	Provision 3	Provision 4	Total provisions
	R'000	R'000	R'000	R'000	R'000
Opening balance	22 783	1 536 924	-	-	1 559 707
Settlement of provision	(13 614)	-	-	-	(13 614)
Closing balance	**9 169**	**1 536 924**	**-**	**-**	**1 546 093**

Reconciliation of movement in provisions - 2016/17

Opening balance	59 515	408	-	-	59 923
Settlement of provision	(36 732)	(408)	-	-	(37 140)
Closing balance	**22 783**	**-**	**-**	**-**	**22 783**

32. Movable Tangible Capital Assets

Movement in movable tangible capital assets per asset register for the year ended 31 March 2018

	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	**3 759 162**	**37 630**	**382 473**	**56 000**	**4 123 265**
Transport Assets	1 035 906	-	74 805	35 894	1 074 817
Computer equipment	396 427	447	7 481	420	403 935
Furniture and Office equipment	87 755	673	4 185	829	91 784
Other machinery & Equipment	2 239 074	36 510	296 002	18 857	2 552 729
Total movable tangible assets	**3 759 162**	**37 630**	**382 473**	**56 000**	**4 123 265**

Movable Tangible Capital Assets under investigation	**Number**	**Value**
Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:		**R'000**
Machinery and equipment	13 864	232 357

32.1 Additions to movable tangible capital asset per asset register for the year ended 31 March 2018

Machinery and equipment	**342 865**	**9 036**	**30 572**	**-**	**382 473**
Transport assets	74 805	-	-	-	74 805
Computer equipment	87	7 394	-	-	7 481
Furniture and Office equipment	4 185	-	-	-	4 185
Other machinery and equipment	263 788	1 642	30 572	-	296 002
Total additional to movable	**342 865**	**9 036**	**30 572**	**-**	**382 473**

32.2 Disposals of movable tangible capital assets per asset register for the year ended 31 March 2018

	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	**56 000**	**-**	**56 000**	**6 897**
Transport assets	35 894	-	35 894	6 897
Computer equipment	420	-	420	-
Furniture and office equipment	829	-	829	-
Other machinery and equipment	18 857	-	18 857	6 897
Total	**56 000**	**-**	**56 000**	**6 897**

Movement for 2016/2017

32.3 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
	R'000	R'000	R'000	R'000	R'000
Machinery and equipment	**3 580 904**	**-**	**215 034**	**36 776**	**3 759 162**
Transport assets	956 728	-	115 954	36 776	1 035 906
Computer equipment	387 658	-	8 769	-	396 427
Furniture and office equipment	86 261	-	1 494	-	87 755
Other machinery and equipment	2 150 257	-	88 817	-	2 239 074
Total tangible assets	**3 580 904**	**-**	**215 034**	**36 776**	**3 759 162**

	Note	2016/17
32.3.1 Prior period error		**R'000**
Nature of prior period error		
Relating to 2016/17 (affecting the opening balance)		**-**
Relating to 2016/17		**-**
Total		**-**

32.4 Minor assets

Movement in minor asset per the asset register for the year ended 31 March 2018

	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	-	-	-	731 895	-	731 895
Value adjustments	-	-	-	183 341	-	183 341
Additions	-	-	-	20 745	-	20 745
Disposals	-	-	-	8 436	-	8 436
TOTAL	**-**	**-**	**-**	**927 545**	**-**	**927 545**

Minor Capital Assets under investigation	**Numbers**	**Values**
		R'000
Included in the above total of the minor capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	82 904	126 281

Minor assets

Movement in minor asset per the asset register for the year ended 31 March 2017

Opening balance	-	-	-	720 087	-	720 087
Prior period error	-	-	-	-	-	-
Additions	-	-	-	22 254	-	22 254
Disposals	-	-	-	10 446	-	10 446
TOTAL	**-**	**-**	**-**	**731 895**	**-**	**731 895**
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	2016/17
32.4.1	**Prior period error**		R'000
	Nature of prior period error Relating to		
	Prior period error		-
	Transfer from Major to minor for 2015/2016		-
	Relating to 2015/16		-
	Total		-

33. Immovable Tangible Capital Assets

Capital Work-in-progress

33.1 CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2018

		Opening Balance 1 April 2017	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	" Closing Balance 31 March 2018 "
		R'000	R'000	R'000	R'000
Heritage assets	*Annexure 6*	-	-	-	-
Buildings and other fixed structures		1 719 731	935 260	59 838	2 595 153
Machinery and equipment		136 923	104 260	6 376	234 807
Total		**1 856 654**	**1 039 520**	**66 214**	**2 829 960**

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2017

		Opening Balance	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	" Closing Balance 31 March 2017"
		R'000	R'000	R'000	R'000
Heritage assets	*Annexure 6*	-	-	-	-
Buildings and other fixed structures		1 004 511	777 693	62 473	1 719 731
Machinery and equipment		72 944	141 568	77 589	136 923

Total	**1 077 455**	**919 261**	**140 062**	**1 856 654**

33.2 Age analysis on ongoing projects

	Number of projects Planned, construction not started	Planned, construction started	2017/18 "Total R'000"
0 to 1 year	1	4	3 622
1 to 3 year(s)	7	35	87 861
3 to 5 years	1	5	53 783
Longer than 5 years	2	10	828 039
Total	**11**	**54**	**973 305**

Dr Pixley started in the financial year 2006/2007 and its current Work in Progress in 2017/18 is R733 034. All projects that are planned and construction not started are on design. These projects are included in the current year Work In Progress as a result of the expenditure that was incurred for these projects in the year under review.

34. Prior period errors

	Note	Amount bef error correction	Prior period error	2016/17 Restated amount
		R'000	R'000	R'000
Contingent Liabilities Medical Legal Claims	23	9 365 743	4 739 548	14 105 291
Net effect		**9 365 743**	**4 739 548**	**14 105 291**

Contingent Liabilities for Medical, Civil and Transport was re-stated due to claims omitted in prior year end balances

Irregular Expenditure for 2016/2017 not identified	26	2 799 086	365 201	3 164 287
Net effect		**2 799 086**	**365 201**	**3 164 287**

Irregular expenditure that was not included in year-end in 2016/2017 financial year

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 R549, 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* R635, 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 R778, 749 million

Work in Progress

The Work-in-progress as at 31 March 2011 recorded on Building and fixed structures are R425, 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 R1,063,220 billion

Work in Progress

The Work-in-progress as at 31 March 2012 recorded on Building and fixed structures are R794,495 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 R1,637,391 billion

Work in Progress

The Work-in-progress as at 31 March 2013 recorded on Building and fixed structures are R1,302,382 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 Kwa-Zulu Natal resides with the Department of Public Works.

Additions

The additions for the 2013/2014 year recorded on Buildings and fixed structures are R1,530,972 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 R521,228 million.

Movements to immovable assets – 2014/2015

The register for immovable in the Province of Kwa-Zulu Natal resides with the Department of Public Works.

Additions

The additions for the 2014/2015 year recorded on Buildings and fixed structures are R1, 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 R455,369 million.

Movements to immovable assets – 2015/2016

The register for immovable in the Province of Kwa-Zulu 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 Kwa-Zulu 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.

Movements to immovable assets – 2017/2018

Refer to note 33 on Capital work in Progress and Annexure 6

The supplementary information presented does not form part of the annual financial statements and is unaudited.

ANNEXURE 1 A

STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF GRANT	GRANT ALLOCATION					SPENT				2016/17	
	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	1 696 266	-	-	-	1 696 266	1 696 266	1 696 266	-	100%	1 596 286	1 596 286
Comprehensive HIV / AIDS Grant	4 852 495	-	-	-	4 852 495	4 852 495	4 852 495	-	100%	4 244 243	4 247 525
Health Facility Revitalisation Grant	1 149 355	-	-	-	1 149 355	1 149 355	1 151 564	(2 209)	100%	1 114 693	1 121 993
Health Professional & Training and Development Grant	331 944	-	-	-	331 944	331 944	331 944	-	100%	312 377	312 377
National Health Insurance	-	311	-	-	311	311	311	-	100%	25 446	25 045
Social Sector EPWP Incentive Grant for Provinces	47 058	-	-	-	47 058	47 058	47 058	-	100%	13 000	13 000
EPW Integrated Grant to Provinces	8 400	-	-	-	8 400	8 400	8 400	-	100%	7 122	7 122
	8 085 518	**311**	**-**	**-**	**8 085 829**	**8 085 829**	**8 088 038**	**(2 209)**		**7 313 167**	**7 323 348**

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			2016/17
	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	100 000	-	-	100 000	116 846	-	-	116 846	116 846	100%	80 000
eThekwini : Equitable Share	93 000	-	-	93 000	102 810	-	-	102 810	102 810	100%	141 786
PD Vehicle Licences	5 990	-	-	5 990	6 018	-	-	6 018	6 018	0%	5 659
PD PMT/ Refundable Act of Grace	-	-	-	-	-	-	-	-	-		100
Rounding	-	-	-	-	-	-	-	-	-		-
TOTAL	**198 990**	**-**	**-**	**198 990**	**225 674**	**-**	**-**	**225 674**	**225 674**	**-**	**227 545**

National Departments are reminded of the DORA requirements to indicate any re-allocations by the National Treasury or the transferring department, certify that all transfers in terms of this Act were deposited into the primary bank account of a municipality or, where appropriate, into the CPD account of a municipality as well as indicate the funds utilised for the administration of the receiving officer.

ANNEXURE 1C

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/AGENCY/ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2016/17
	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	18 850	-	-	18 850	18 850	100%	19 842
Com: SABC TV Licences	305	-	-	305	429	141%	200
Rounding	-	-	-	-	1		-
TOTAL	**19 155**	**-**	**-**	**19 155**	**19 280**		**20 042**

ANNEXURE 1D

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

INSTITUTION NAME	TRANSFER ALLOCATION				EXPENDITURE				2016/17
	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	-	-	-	-	-	-		-	-
Penalties	-	-	-	-	-	-		-	-
Subsidies	-	-	-	-	-	-		-	-
Subtotal: Public corporations	-	-	-	-	-	-		-	-
TOTAL	-	-	-	-	-	-		-	-

ANNEXURE 1E

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2016/17
	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	586	-	-	586	586	100%	569
Azalea House	541	-	-	541	541	100%	525
The Bekimpilo	8 896	-	-	8 896	8 896	100%	8 637
Budget Control Holding Funds	18 264	-	-	18 264	-	0%	20 501
Claremont Day Care Centre	413	-	-	413	413	100%	401
District Holding Funds eThekwini	(58)	-	-	(58)	-	0%	-
District Holding Funds iLembe	-	-	-	-	-	0%	1 290
District Holding Funds Ugu	(85)	-	-	(85)	-	0%	-
District Holding Funds Umzinyathi	15	-	-	15	-	0%	-
DPSA-Comm Based Rehab Project	984	-	-	984	984	100%	955
DPSA - Wheelchair repair &maint	903	-	-	903	903	100%	877
Duduza Care Centre	400	-	-	400	400	100%	-
Ekukhanyeni Clinic	1 025	-	-	1 025	1 020	100%	967

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2016/17
	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
Enkumane Clinic	287	-	-	287	287	100%	278
Estcourt Hospice	558	-	-	558	558	100%	-
Ethembeni Stepdown Centre	5 179	-	-	5 179	3 369	65%	4 000
Genesis care Centre	2 946	-	-	2 946	2 946	100%	2 946
Happy Hour Amaoti	552	-	-	552	552	100%	536
Happy Hour Durban North	483	-	-	483	483	100%	267
Happy Hour Kwaximba	441	-	-	441	441	100%	429
Happy Hour Mpumalanga	441	-	-	441	441	100%	429
Happy Hour Ninikhona	275	-	-	275	275	100%	267
Happy Hour Nyangwini	290	-	-	290	290	100%	281
Happy Hour Overport	-	-	-	-	-	0%	202
Happy Hour Phoenix	275	-	-	275	275	100%	267
Highway Hospice	752	-	-	752	752	100%	-
Hibberdene Care Centre	331	-	-	331	331	100%	-
Hlanganani Ngothando DCC	388	-	-	388	388	100%	227
Howick Hospice	617	-	-	617	617	100%	-
Ikhwezi Cripple Care	1 279	-	-	1 279	1 279	100%	1 242
Ikhanzi Care Centre	134	-	-	134	134	100%	-
John Peattie House	1 293	-	-	1 293	1 293	100%	1 408

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2016/17
	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
Jona Vaughn Centre	2 567	-	-	2 567	2 567	100%	2 493
KZN Blind and Deaf Society	874	-	-	874	874	100%	849
Lynn House	648	-	-	648	648	100%	629
Madeline Manor	946	-	-	946	946	100%	919
Magaye School for the Blind	546	-	-	546	546	100%	530
Matikwe Oblate Clinic	511	-	-	511	511	100%	496
Mountain View Special Hospital	4 876	-	-	4 876	4 876	100%	9 965
Philanjolo Hospice	2 485	-	-	2 485	2 698	109%	2 500
Power of God	1 202	-	-	1 202	1 202	100%	1 167
Rainbow Haven	433	-	-	433	433	100%	421
Scadifa Centre	1 011	-	-	1 011	1 011	100%	982
South Coast Hospice	190	-	-	190	190	100%	185
Siloh Hospital	22 591	-	-	22 591	22 591	100%	-
Solid Found for Rural development	682	-	-	682	682	100%	-
Sparks Estate	1 201	-	-	1 201	1 201	100%	1 166
St. Lukes Home	484	-	-	484	484	100%	470
St. Mary's Hospital Mariannhill	69 221	-	-	69 221	69 216	100%	132 479
Tender Loving Care	234	-	-	234	234	100%	-
Sunfield Home	286	-	-	286	285	100%	277

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2016/17
	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
Umlazi Halfway House	293	-	-	293	293	100%	284
Unsunduzi Hospice	1 452	-	-	1 452	1 452	100%	-
Rounding	(1)	-	-	(1)	1	-100%	-
	161 137	**-**	**-**	**161 137**	**141 395**		**203 313**
Total	**161 137**	**-**	**-**	**161 137**	**141 395**		**203 313**

ANNEXURE 1F

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2016/17
	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	394	-	-	394	781	198%	375
Employee Social Benefits - Severance Package	313	-	-	313	313	100%	-
Employee Social Benefits - Leave Gratuity	181 192	-	-	181 192	112 809	62%	103 680
Bursaries : Non Employee	265 875	-	-	265 875	286 534	108%	289 893
Claims Against the State	206 456	-	-	206 456	461 919	224%	573
Rounding	-	-	-	-	1		-
Total	**654 230**	**-**	**-**	**654 230**	**862 357**		**394 521**

ANNEXURE 1G

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2017/18	2016/17
		R'000	R'000
Received in cash			
Prior year balance		-	27
Cash		52	-
Subtotal		**52**	**27**
Received in kind			
Prior year Balance		-	68 714
Healthrise Global	Sponsorship for flights, accommodation, visa & financial support	37	-
Sandra Wahl & Mzomuhle Ngongoma	Books for Head Office Library	1	-
Eshowe Hospital & Estcourt Hospital	Set of hand lotion, spray & hampers with coffee milo	1	-
UNICEF	Sponsorship for cost of travel, accommodation & meals	23	-
University of KwaZulu-Natal	Human Milk Bank Equipment	75	-
Abbvie Pharmaceuticals	Sponsorship for cost registration, flight, transfer & accommodation	56	-
King Dinuzulu Hospital Complex	Gift Voucher	1	-
World Health Organization (WHO)	Electronic equipment for pregnancy exposure registry	50	-
UNFPA	For flight road trip, accommodation, breakfast & lunch dinner	124	-
University Research CO,. LLC (URC)	For Staff cost of meals, accommodation & conference packages	283	-
JPS Africa	Sponsorship for conferencing and accommodation	71	-
South African AIDS Conference	Sponsorship for registration fees for Dr Anwar	5	-
Medtronic Africa (Pty) Limited	Sponsorship for flight cost & lunch	3	-
Ndumu Trading (Pty) Ltd	Nuts & Washer Render	1	-
Astella Pharma (Pty) Limited	Sponsorship for travel cost, accommodation and registration	21	-
UKZN: College of Health Science	Sponsorship for travel, accommodation, registration & other cost	25	-

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2017/18	2016/17
		R'000	R'000
Multilayer Trading 889 (Pty) Ltd	Rituximab Treatment	54	-
General Kikine Education Socio Foundation	One (1) live sheep	2	-
Sanofi/Clinigen	Campath injection x2 Vials	7	-
Dyefin Textiles	Cold Room	140	-
Mr Omie Singh	Paint, accessories and sundries	19	-
Dr RA Calger	Pool Table	2	-
DG Murray Trust	Sponsorship for cost for flights, accommodation & car-hire	10	-
Programme for Appropriate Technology in Health (PATH)	Sponsorship for return flight, airport transfers, accommodation and meals	23	-
Women Care Global	Sponsorship for conference package	110	-
University Research Co., LLC (URC)	Sponsorship for various items and catering	143	-
JPS Africa	Sponsorship conferencing and accommodation	58	-
CAPRISA	Sponsorship for conference registration	434	-
Programme for Appropriate Technology in Health (PATH)	Sponsorship for cost flights, accommodation & refreshment breaks	16	-
Broadreach Health Care	Loan equipment: Two laptops	59	-
Beyond Zero	One Leitz Machine	56	-
Broadreach Health Care	Various items	465	-
Various Sponsors	Sponsorship for catering for the Strategic Planning Meeting	8	-
JPS Africa	Donation of Extractor Fans x 7	7	-
Janssen Pharmaceutical	Sponsorship for registration, flights and accommodation	47	-
National Department of Health	7 x ECG Machine @ 33,000	231	-
JPS Africa	Mobile Sputum Booth x 4	76	-
Broadreach Health Care	Donation of trellidoor	4	-
JPS Africa	UVGI Meter	15	-
Multilayer Trading 889	Rituximab Inj x4 Vials	14	-
M.L Sultan family	18x Chair beds	40	-
The Linky Moodley & family	Donation of an automated bed	20	-
Apostolic Mission of SA Garden Worship Centre	Donation of Toiletries	30	-

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2017/18	2016/17
		R'000	R'000
Beyond Zero	Various Medical Equipment	46	-
Tongaat Hulled	Donation of re-filling of 6 gas cylinders	1	-
National Social Development	Wheelchairs	457	-
Meditech Health Care	Sponsorship for catering	71	-
Tara Technologies	Sponsorship for catering	2	-
National Department of Health	ECG Machines	206	-
UNICEF	Sponsorship for conference registration and accommodation	8	-
Broadreach Health Care	Loaned filing cabinets and notice boards	124	-
Old Mutual	Sponsorship for conference package	16	-
International Association of Forensic Sciences	Sponsorship for air travel, accommodation, registration fees	35	-
Compass Medical Waste Services	Upgrading the Paediatric Ward playground	13	-
University of KwaZulu-Natal (UKZN)	Sponsorship for conference	200	-
Groundwork	Sponsorship for flight and accommodation	4	-
Nuffiled Department of Orthopaedics Rheumatology and Musculoskeletal	Sponsorship for flights, accommodation, meals, local travel and Visa refund	14	-
Bhekuzulu Self Sufficient Project (BSSP)	Machines x 3	747	-
Councillor NNP Mkhulisi (Hospital Board)	Hisense Led Television	10	-
Boxer & Crossroads	Various Items	41	-
Indlovu Manufactures	Sponsorship for entertainment	4	-
Assupol	Sponsorship for attendees and guest speakers	10	-
Tourvest Travel Services	Sponsorship for the lucky draw prizes	12	-
Medicines Sans Frontiers	Sponsorship for return flights and accommodation	29	-
Broadreach Health Care	Donation of racks shelving and filing cabinets	123	-
Broadreach Health Care	Sponsorship for return flights and accommodation	7	-
Broadreach Health Care	3x Projector and screens	28	-
Harding Super Spar	Donation of a Gazebo	7	-
One Life Church	Various Items	35	-

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2017/18	2016/17
		R'000	R'000
Human Sciences Research Council (HSRC)	Sponsorship for travel cost, accommodation and meals	27	-
Compass Group	Donation of refreshments for the Women's Day	3	-
Smith & Nephew	Sponsorship for conference package and accommodation	3	-
Sanlam	Sport kits	5	-
Friends of Umgeni	6X 49 Television sets and Upgrade of Ward 4A &B	66	-
Al-Imdaad Foundation	20 Mattresses	4	-
Net care Bay Hospital	8 Recliner Chairs	43	-
Old Mutual	Batho Pele name tags	2	-
GlaxoSmithKline South Africa (Pty) Limited	Sponsorship for travel cost, accommodation and registration fees	19	-
KwaCare (NPC)	60 Comfort bags	9	-
M Sathar	Various Items	5	-
Tongaat Hullet	Re-filling of 6gas cylinders	1	-
Azwelez (Pty) Limited	49 Packs of appointment cards	18	-
Beyond Zero	Various Medical Equipment	48	-
Harvard Medical School	Sponsorship for travelling cost & accommodation	60	-
Match	Sponsorship for traveling and accommodation	6	-
SANOFI Pasteur	Sponsorship for conference package, flights & accommodation	31	-
National Department of Health	Computers & Printers	14 601	-
University Research Council (URC)	Sponsorship for flights and accommodation	4	-
USAID TB South Africa	Sponsorship for flights and accommodation	5	-
Treatment Action Group (TAG)	Sponsorship for flights, accommodation, conference and dinners	10	-
The Bill & Melinda Gates Foundation	Sponsorship for flights and accommodation	7	-
Mylan (Pty) Limited	Sponsorship for refreshments	1	-
Roche Diabetes Care SA (Pty) Limited	Donation of blood glucose meters	148	-
ABSA - Edendale	Donation of meals for the Open Day	5	-
South African Haemophilia Foundation	Sponsorship for flights and accommodation	8	-
University Of KwaZulu-Natal (UKZN)	Sponsorship for registration, air fare including airport transfers	6	-

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2017/18	2016/17
		R'000	R'000
Astellas Leading Light for Life	Sponsorship for registration fees	4	-
Hilton 242 Round Table	Donation of Two (2) Cable Dialysis chairs	15	-
Richfield Graduate Institution of Technology & Snupit	Donation of cash	6	-
PMB Kidney Association	10x Food Parcels	1	-
BSN Medical (PTY) Limited	16 Fob Watches	4	-
Friends of Umgeni	Various items	10	-
Dr O Donald	Various items	48	-
Valucrop 476CC	Donation of 5 000 Litres of Jojo tanks	12	-
Marriot Income Specialists	Donation of Television and a DVD Player	6	-
City Hill Church	Two (2) wheelchairs & 20 gift bags	14	-
Sanlam Company	Donation of sport kits	5	-
Merck (Pty) Limited	For flights cost, transfers, accommodation, visa &meals	22	-
Sohana Chunder	Donation of one (1) bar fridge	2	-
Janssen Compassionate	Donation of Darunavir Syrup	3	-
Erriah Family	Donation of refreshments	1	-
Metropolitan Life	Various items	2	-
Beyond Zero	Various Equipment & Park homes	565 764	-
Sanichem	Sponsorship for the Infection Prevention & Control Indaba	2	-
Aurum Institute	Sponsorship for the District Health Framework Workshop	115	-
CAPRISA	International Workshop on HIV Drug Resistance & Treatment	94	-
Assupol	Various items for the music competition and lifestyle promotion day	24	-
FHI 360	Donation of 35 Samsung Tablets Devices	129	-
PEPFAR	Sponsorship for the BI-Annual Workshop	51	-
Janssen Pharmaceutical	Sponsorship for travel & accommodation for Dr V Mubaiwa	15	-
United Nations Population Fund	For travel & accommodation for Dr V Mubaiwa & Dr T Zulu	47	-
IBIS Reproductive Health	For travel, meals and accommodation for 2 staff members	30	-
PEPFAR/ US Embassy	For travel, accommodation and conference fees for Ms Spies	11	-

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2017/18	2016/17
		R'000	R'000
Medical Research Council (MRC)	Sponsorship for travel and accommodation for Dr N Moran	11	-
Vaccines For Africa (VACFA)	For conference package, flights, accommodation & meals for staff	23	-
Elma Philanthropies & Zoe-Life	Donation for the implementation of Electronic Integrated Management of Childhood Illness (EIMCI)	89	-
Janssen Pharmaceutical Companies	Sponsorship for travel and accommodation	15	-
CAPRISA	Sponsorship for catering	7	-
The Gates Foundation	Sponsorship for flights and accommodation	7	-
London School of Hygiene & Tropical Medicine	Sponsorship for accommodation	1	-
PEPFAR/ US Embassy	Sponsorship for travel and accommodation	23	-
The Al-Imdaad Foundation	Various equipment for the Phila Mntwana Centres	10	-
Umthombo Youth Development Foundation (UYDF)	Sponsorship from skills development facilities course	55	-
Assupol	Donation of various items	5	-
Ground Work Environment Justice Action	Sponsorship for flights cost, accommodation for Ms Shireen Arends & Mr Madlala	12	-
South African Haemophilia Foundation	Sponsorship for flights, accommodation and conferencing	5	-
Boehringer- Ingelheim	For flights, accommodation, & conference package Dr L Naidoo	10	-
The Gideons International of South Africa	Donation of 800 Bibles	16	-
Dulux Paints	Donation of paint	2	-
Merck Africa (Pty) Ltd	For flights cost, accommodation and meals for Dr TT Khanyile	22	-
Africa Health Research Institute (AHRI)	For travel cost, accommodation & conference fees for Dr B Patel	21	-
World Rhenium Congress	Sponsorship for accommodation & registration for Dr EN Nyakale	59	-
Ushaka Marine World Crew	Sponsorship for the Corporate Social Responsibility Programme	29	-
Mrs D Rowe	Donation of 30 Blankets	1	-
A-bomb Pietermaritzburg	Donation of Soccer Kits	2	-
Roche Drug Company	Sponsorship for 500 t-shirts, 500 bottled water and 500 fruit packs	72	-
Kimberly-Clark of South Africa (Pty) Ltd	Donation of 140 boxes of nappies & packet of baby wipes	116	-
Aurum Institute	Sponsorship for flight and shuttle for Mrs Ngozo	4	-
University Research Council (URC)	Sponsorship for flight and shuttle for Mrs Ngozo	5	-

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2017/18	2016/17
		R'000	R'000
Southern African HIV Clinicians Society	Sponsorship for Mrs OB Mhlongo for travel & accommodation cost	4	-
Broadreach Health Care	Donation of various items of office furniture	7	-
Broadreach Health Care	Donation of various IT Equipment	25	-
Old Mutual	Donation of Trophies	6	-
Medtronic Africa (PTY) Ltd	For Ms BZ Makhathini & Mrs TC Kunene for the sponsorship of traveling cost and meals	10	-
Liberty Group Limited	Donation of various items	9	-
AXIM	Kodak DV 5800 Laser Printer	68	-
Boxer & Cross Roads	Donation of various items	31	-
Dr Fahmida Mamdoo	Donation of one (1) Fridge	2	-
Johnson & Johnson Medical (Pty) Ltd	Sponsorship for Dr M Naidoo for flights, visa, registration, accommodation and transfers	66	-
Lamees Ryan Foundation	Donation of balloons, face masks & meals	4	-
The Wykeham Collegiate	Donation of 18 baby packs	3	-
ABSA Bank through Dept. COGTA	Donation towards the damages repairs at Clairwood	355	-
Geochem	Various stationary	1	-
Various Entries	Awards and monetary prizes from various entries	60	-
Mesh Consortium	Sponsorship for flights and accommodation Mr AT Ndabandaba	9	-
Broadreach Health Care	For travel cost for Senior Managers to visit Broadreach Health Care	23	-
World Health Organisation (WHO)	For Mrs OB Mhlongo for return flight & 3 nights' accommodation	11	-
Pace Errico	For the year end team building event and prize giving awards	18	-
Ixopo Methodist Church	Donation of pre-term / new-born packs	4	-
Broadreach Health Care	Donation of two laptops	38	-
Midlands Medical Centre	Cash donation toward Quality Day	3	-
Friends of Umgeni	Donation of one (1) garden bench	2	-
NPC Intercement	Sponsorship for the renovation of different areas at the Hospital	36	-
Foundation for Professional Development (FPD)	For registration fees for Ms NP Mavuso to attend the scholarship	5	-

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2017/18	2016/17
		R'000	R'000
KwaCare	Sponsorship for 47 comfort bags	7	-
Road Accident Fund	Sponsorship for catering	9	-
ICAP at the Columbia University	Donation of Medical Equipment	2 807	-
The People's Choice & Crystal Pharmacies	Donation of a flat screen television & DVD Player	8	-
SAME Foundation	Various Medical Equipment	28	-
B. Braun Medical (Pty) Limited	Sponsorship for Mrs R Misra & Mrs K Khumalo	3	-
First Love Ministries	Donation of a Clinic	2 553	-
CAPRISA	Sponsorship for support and Advanced Clinical Care Symposium	300	-
Liberty Life	Sponsorship for the entrance fee for the workshop participants	1	-
Augustine Medical South Africa (Pty) LTD	For Mr WS Mkasi for accommodation and conference package	25	-
JPS Africa	For various MDR-TB Training period June - December 2017	51	-
National Department of Health	Sponsorship for Mrs ZV Radebe for accommodation costs	5	-
National Department of Health	For Mrs ZV Radebe, Dr Master & Mrs Misra to attend the workshop	29	-
Roche Diabetes Care	Donation of Medical equipment	33	-
Ixopo Methodist Church	Donation of pre-term / new-born packs	4	-
Broadreach Health Care	Donation of two laptops	38	-
Danielle Ashton	Donation of 36 baby bags	5	-
Mr MG Naidoo (Systems Manager)	Donation of various furniture	3	-
Augustine Medical South Africa (Pty) Limited	For Dr Bilenge for registration, accommodation, conference	25	-
University of Toronto	Sponsorship for Dr SK Van Straten for travel & registration fees	28	-
Mr D Quin (Hospital Board Member)	Donation of a camera	1	-
CAPRISA	Donation of various items	7	-
Softbev	Donation of cool drinks for the Mental Health Day	3	-
Mrs P Erich	Donation of refreshments for the Women's Day	1	-
Simone Agrove	Donation of Circular saw machine	2	-
Various Donors	Various items	7	-
The Paper Clip & Ms H Arbee	Donation of 20 frames & R 6 000.00 for the decoration and awards	6	-

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2017/18	2016/17
		R'000	R'000
BioPower Corporation Group	30L of Biosol SL36	8	-
Global Child Dental Fund	Sponsorship for Dr Mthethwa for registration fees, accommodation, meals & travel cost	58	-
National Department of Health	Donation of Medical Equipment	834	-
University of KwaZulu-Natal (Centre for Rural Health)	For 9x Provincial Managers to attend the CQI Conference	43	-
National Department of Health	Sponsorship for Dr N Moran for transport and accommodation	4	-
Zeo Life & Institute for Health Care Improvement	Sponsorship for Ms OB Mhlongo to attend the CQI Conference	5	-
Janssen Pharmaceutical	Sponsorship for travelling and accommodation	171	-
CAPRISA	For catering for the KZN TB/DR - TB Technical meeting for 2018	22	-
East, Central & Southern Africa Health Community (ECSA-HC)	For Mrs Radebe for accommodation, flights, meals & incidental	27	-
London School of Hygiene & Tropical Medicine	Sponsorship for Dr DPK Wilson for airfare cost & accommodation	30	-
Grounds Work	Sponsorship for Ms S Arends for flights cost	4	-
PMB Kidney Association	10X Food parcels	2	-
Augustine Medical SA (Pty) Ltd	For Dr G Lopez for registration, accommodation, meals & conference package	25	-
Africa Health Research Institute (AHRI)	Sponsorship for Dr V Patel for conference package	10	-
Augustine Medical SA (Pty) Ltd	For Dr LP Mtshali for registration, accommodation, meals & conference package	25	-
Match	Donation of office equipment	3	-
Augustine Medical SA (Pty) Ltd	Sponsorship for Dr M Mazizi for registration, accommodation, meals & conference package	25	-
Public Servant Association (PSA)	Cash donation towards tools & equipment	10	-
Textile Internet	Sponsorship for tents and chairs for the Mental Health Day	2	-
National Department of Health	Donation of 330 HPV Electronic Devices (Tablets)	551	-
National Department of Health	Donation of Mebendazole tables to Amajuba, iLembe, uMgungundlovu & UThukela District	10 258	-
Durban ICC	Complimentary tickets for a musical concert	1	-
N.T Gobind	Sponsorship for lunch for the participant who attended the prayer	3	-
MRC, Wits Rural Public Health and Health Transition Unit	For Dr Mubaiwa for travelling cost and accommodation cost	8	-

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2017/18	2016/17
		R'000	R'000
McGill Summer Institute	For Mrs Ngozo for travel cost, accommodation & transport	38	-
Aurum Institute	Sponsorship for Mrs Ngozo for travel cost (flights & shuttle)	5	-
AfriSam South Africa (PTY) LTD	Donation of establishment of a Health Post	2 600	-
Beyond Zero	Donation of HP250 & 8X Laptops	65	-
St Andrew's Hospital Board	Donation of various medical equipment's for Harding Clinic	3	-
Duromed CC	Donation of 5 Glucometer machine	2	-
Rotary Club	Donation of 5x Wheelchairs	13	-
Medicines Sans Frontiers (MSF)	Donation of various items to the Hospital	519	-
Hollard UMzimkhulu Branch	Donation of track suits	5	-
Subtotal		**609 489**	**68 714**
TOTAL		**609 541**	**68 741**

ANNEXURE 2A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2018 - LOCAL

GUARANTOR INSTITUTION	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2017	Guarantees drawdowns during the year	Guaranteed repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2018	Guaranteed interest for year ended 31 March 2018	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	140	-	140	-	-	-	-
BOE Bank Ltd	Housing	46	-	-	-	-	-	-	-
FirstRand Bank Ltd	Housing	14 264	1 279	-	661	-	618	-	-
Green Start Home Loans	Housing	45	6	-	-	-	6	-	-
ITHALA Limited	Housing	1 973	-	-	-	-	-	-	-
Nedbank Ltd (and NBS)	Housing	3 269	164	13	108	-	69	-	-
Old Mutual Bank	Housing	12 898	809	-	514	-	295	-	-
Peoples Bank Ltd	Housing	446	89	-	-	-	89	-	-
SA Home Loans	Housing	51	-	-	-	-	-	-	-
Standard Bank	Housing	7 092	106	-	54	-	52	-	-
Unique Finance	Housing	102	44	-	28	-	16	-	-
Rounding		-	-	-	(1)	-	1	-	-
		52 878	**2 637**	**13**	**1 504**	**-**	**1 146**	**-**	**-**
TOTAL		**52 878**	**2 637**	**13**	**1 504**	**-**	**1 146**	**-**	**-**

Old Mutual Bank opening balance restated to R809 due to persal back date of Transactions.

FirstRand (F&B) Bank opening balance restated to R1,279 due to persal back date of Transactions.

Nedbank opening balance restated to R164 due to persal back date of Transactions.

ANNEXURE 2B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2018

Nature of liability	Opening balance 1 April 2017	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2018
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Medico Legal	14 040 809	3 245 617	647 692	-	16 638 734
Claims against the State (Transport, Labour, Civil)	577 599	127 823	1 042	-	704 380
Afrox	5 975	-	-	-	5 975
Subtotal	**14 624 383**	**3 373 440**	**648 734**	**-**	**17 349 089**
Other					
National Health Laboratory Services	2 725 449	-	86 222	-	2 639 227
McCord's Hospital (Medical Legal Malpractice Claims)	75 000	-	-	-	75 000
Subtotal	**2 800 449**	**-**	**86 222**	**-**	**2 714 227**
TOTAL	**17 424 832**	**3 373 440**	**734 956**	**-**	**20 063 316**

ANNEXURE 3

CLAIMS RECOVERABLE

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2017/18*	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017	31/03/2018	31/03/2017	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								
Arts and Culture	-	-	5	-	5	-	-	-
Education	-	-	-	24	-	24	-	-
Corporate Governance and Traditional Affairs	-	-	857	724	857	724	-	-
Office of the Premier	-	84	90	-	90	84	-	-
KZN Provincial Treasury	1 299	-	5	20	1 304	20	-	-
Transport	-	-	2	2	2	2	-	-
KZN Department Public Works	9 087	-	-	2	9 087	2	-	-
Community Safety and Liasion	-	-	8	-	8	-	-	-
Rural Development	-	-	-	1	-	1	-	-
National Department of Health	-	-	-	14 511	-	14 511	-	-
Gauteng Health	-	-	160	267	160	267	-	-
Free State : Health	-	431	-	-	-	431	-	-
Department of Justice and Constitutional Development	-	-	-	27	-	27	-	-
TOTAL	**10 386**	**515**	**1 127**	**15 578**	**11 513**	**16 093**		**-**

CLAIMS RECOVERABLE - CONTINUE

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017	31/03/2018	31/03/2017
	R'000	R'000	R'000	R'000	R'000	R'000
OTHER GOVERNMENT ENTITIES						
University of KwaZulu-Natal (UKZN)	-	-	1 275	6 548	1 275	6 548
KZN Gambling Board	-	-	-	34	-	34
SITA	-	-	615	572	615	572
Ithala Limited	774	3 096	-	-	774	3 096
	774	**3 096**	**1 890**	**7 154**	**2 664**	**10 250**
Total	**11 160**	**3 611**	**3 017**	**22 732**	**14 177**	**26 343**

ANNEXURE 4

INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2017/18*	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017	31/03/2018	31/03/2017	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	-	-	-	-	-	-		-
Department of Health: Eastern Cape	526	74	-	-	526	74		-
Department of National School of Government	-	-	-	-	-	-		-
Department of Justice and Constitutional Develop	9 244	10 029	-	-	9 244	10 029		-
Department of Social Development: KwaZulu-Natal	-	-	-	8	-	8		-
Department of Transport: KwaZulu-Natal	-	14 615	-	18 626	-	33 241		-
Departments of Public Works: KwaZulu-Natal	30 468	2 251	35 027	44 040	65 495	46 291		-
South African Police Services	-	-	-	-	-	-		-
Department of Agriculture	11	-	-	-	11	-		-
KwaZulu Natal Provincial Treasury	5 640	4 997	-	-	5 640	4 997		-
Department of Health: Western Cape	-	11	-	-	-	11		-
Department of Health:Mpumalanga	28	-	-	-	28	-		-
Department of Defence	8	-	-	-	8	-		-
Subtotal	**45 925**	**31 977**	**35 027**	**62 674**	**80 952**	**94 651**		**-**

INTER-GOVERNMENT PAYABLES - CONTINUE

GOVERNMENT ENTITY			Unconfirmed balance outstanding		Total		Cash in transit at year end 2017/18*	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017	31/03/2018	31/03/2017	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								
University of Kwa-Zulu Natal	12 728	149 287	-	-	12 728	149 287		-
National Health Laboratory Services	314 586	444 505	-	-	314 586	444 505		-
South African National Blood Services	2 697	20 350	-	-	2 697	20 350		-
Government Printing Works	129	573	-	-	129	573		-
SITA	7 524	8 774	-	-	7 524	8 774		-
Independent Development Trust	10 546	22 229	-	-	10 546	22 229		-
Auditor General South Africa	2 662	2 210	-	-	2 662	2 210		-
Subtotal	**350 872**	**647 928**	**-**	**-**	**338 144**	**647 928**		**-**
Total Departments	**396 797**	**679 905**	**35 027**	**62 674**	**419 096**	**742 579**		**-**
OTHER GOVERNMENT ENTITY								
Current								
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**		
Total Other Government Entities	**-**	**-**	**-**	**-**	**-**	**-**		
TOTAL INTERGOVERNMENTAL	**396 797**	**679 905**	**35 027**	**62 674**	**419 096**	**742 579**		

ANNEXURE 5

INVENTORY

	Note	2017/18		2016/17	
		Quantity	R'000	Quantity	R'000
Inventory					
Opening balance		-	1 008 709	-	829 482
Add: Additions/Purchases - Cash		-	5 698 572	-	5 384 928
(Less): Issues		-	(5 741 191)	-	(5 205 701)
Closing balance		**-**	**966 090**	**-**	**1 008 709**

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 FOR THE YEAR ENDED 31 MARCH 2018

	Opening balance	Current Year Capital WIP	Completed Assets	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	1 856 654	1 039 520	(66 214)	2 829 960
Dwellings	-	-	-	-
Non-residential buildings	1 719 731	935 260	(57 838)	2 595 153
Other fixed structures	136 923	104 260	(6 376)	234 807
TOTAL	**1 856 654**	**1 039 520**	**(66 214)**	**2 829 960**

Age analysis on ongoing projects		Number of projects			2017/18
		Planned, construction not started	Planned, construction started		"Total R'000"
0 to 1 year		2	2		2 289
1 to 3 year(s)		10	11		237 066
3 to 5 years		3	3		24 426
Longer than 5 years		10	7		1 745 686
Total		**25**	**23**		**2 009 467**

Dr Pixley started in the financial year 2006/2007 and its current Work in Progress in 2017/18 is R733 034. All projects that are planned and construction not started are on design. These projects are included in the current year Work In Progress as a result of the expenditure that was incurred for these projects in the year under review.

MOVEMENT IN CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2017

	Opening balance	Current Year Capital WIP	Completed Assets	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	1 077 455	919 261	(140 062)	1 856 654
Dwellings	-	-	-	-
Non-residential buildings	1 004 511	777 693	(62 473)	1 719 731
Other fixed structures	72 944	141 568	(77 589)	136 923
TOTAL	**1 077 455**	**919 261**	**(140 062)**	**1 856 654**

KwaZulu-Natal Provincial Pharmaceutical Supply Depot

Audit report for the year ending 31 March 2018

Report of the auditor-general to the KwaZulu-Natal Provincial 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 397 to 416, which comprise the statement of financial position as at 31 March 2018, 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 2018, 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 this auditor's 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) 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.

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

Emphasis of matter

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

Restatement of corresponding figures

7. As disclosed in note 17 to the financial statements, the corresponding figures for 31 March 2017 have been restated as a result of an error in the financial statements of the entity at, and for the year ended, 31 March 2018.

Transfer of trading entity to programme 7: health support services

8. As disclosed in note 23 to the annual financial statements, the department will incorporate the Provincial Pharmaceutical Supply Depot trading entity under programme 7: health support services with effect from 1 April 2018. This is subject to the approval by the National Treasury and the accounting officer is currently awaiting the outcome thereof. The impact will be only a single set of annual financial statement incorporating the function of the trading entity.

Responsibilities of the accounting officer for the financial statements

9. 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.

10. 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 the accounting officer either intends 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.

11. 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 the 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.

12. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

13. 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 objectives presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.

14. 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.

15. 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 objectives presented in the annual performance report of the entity for the year ended 31 March 2018:

Objectives	Pages in the annual performance report
Objective 5.2.3 - decrease medicine stock-out rates to less than 1% at PPSD by March 2020	189 – 190
Objective 5.2.4 - improve pharmaceutical procurement and distribution reforms	190 – 191

16. 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.

17. The material findings in respect of the usefulness and reliability of the selected objective 5.2.4: improve pharmaceutical procurement and distribution reforms are as follows:

Percentage facilities on direct delivery model for procurement and distribution of pharmaceuticals

18. I was unable to obtain sufficient appropriate audit evidence to support the reported achievement of the target. This was due to a lack of proper performance management systems and processes as well as formal standard operating procedures that predetermined how the eligible facilities would be identified, monitored and reported on. I was unable to confirm the reported achievement of the indicator by alternative means. Consequently, I was unable to determine whether any adjustments were required to the achievement as reported in the annual performance report.

Percentage facilities on cross-docking model for procurement and distribution of pharmaceuticals

19. I was unable to obtain sufficient appropriate audit evidence to support the reported achievement of the target. This was due to a lack of proper performance management

systems and processes as well as formal standard operating procedures that predetermined how the eligible facilities would be identified, monitored and reported on. I was unable to confirm the reported achievement of the indicator by alternative means. Consequently, I was unable to determine whether any adjustments were required to the achievement as reported in the annual performance report.

Other matters

20. I draw attention to the matters below.

Achievement of planned targets

21. The annual performance report on pages 189 to 191 contains information on the achievement of planned targets for the year and explanations provided for the underachievement and 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 paragraphs 18 to 19 of this report.

Adjustment of material misstatements

22. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of the objective: decrease medicine stock-out rates to less than 1% at PPSD by March 2020. I did not raise any material findings on the usefulness and reliability of the reported performance information as management subsequently corrected the misstatements. Those that could not be corrected are reported above.

Report on the audit of compliance with legislation

Introduction and scope

23. 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.

24. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements

25. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 40(1)(b) of the PFMA. Material misstatements of current assets, revenue and expenditure, identified by the auditors in the submitted financial statement were corrected subsequently, resulting in the financial statements receiving an unqualified opinion.

Expenditure management

26. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R15,62 million, as disclosed in note 18 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the irregular expenditure was caused by the continued use of expired contracts.

27. Some payments were not made within 30 days or an agreed period after receipts of an invoice, as required by treasury regulation 8.2.3.

Revenue management

28. Appropriate processes were not developed and implemented to provide for the identification, collection, recording and reconciliation of revenue, as required by treasury regulation 7.2.1.

Procurement and contract management

29. Sufficient appropriate audit evidence could not be obtained for some contracts to support that they were awarded in accordance with the legislative requirements as there is no effective document management system in place.

30. Some of the goods and services of a transaction value above R500 000 were procured without inviting competitive bids, as required by treasury regulation 16A6.1. Similar non-compliance was also reported in the prior year.

31. Sufficient appropriate audit evidence could not be obtained that extensions or modifications to some contracts were approved by a properly delegated official as required by section 44 of the PFMA and treasury regulations 8.2.1 and 8.2.2. Similar non-compliance was also reported in the prior year.

Consequence management

32. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure as required by section 38(1)(h)(iii) of the PFMA, as proper and complete records were not maintained to support the investigations into irregular expenditure.

Other information

33. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected objectives presented in the annual performance report that have been specifically reported in this auditor's report.

34. 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.

35. 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 objectives presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

36. The other information I obtained prior to the date of this auditor's report is general Information and report by the accounting officer. The report of the audit committee is expected to be made available to me after 31 July 2018.

37. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.

38. After I receive and read the report of the audit committee, and if I conclude that there is a material misstatement, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

39. 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 on it.

40. 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.

Leadership

41. Leadership did not ensure that policies and procedures to identify and report on the eligible facilities for direct delivery and cross docking model are formulated and implemented to facilitate credible performance reporting. In addition, amendments to the financial system configurations relating to surcharges were made prior to the approval from National Treasury to include the entity as part of the Department of Health, resulting in material misstatements that had to be corrected.

Financial and performance management

42. 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 and compliance. Furthermore, necessary reviews and monitoring

of compliance with applicable legislation were not effectively performed, resulting in repeat audit findings being reported.

Governance

43. Internal audit did not evaluate the entity's controls during the period under review to determine their effectiveness which contributed to the repeat material findings reported on performance information and compliance with legislation.

Auditor – General

Pietermaritzburg

31 July 2018

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 objectives 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 this 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 related to events or conditions that may cast significant doubt on the [name of the auditee]'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 this auditor's report. However, future events or conditions may cause an entity to cease continuing 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 2018

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 R166,2 million for the year ended 31 March 2018 as compared the previous year net operating surplus of R9,909 million.

The net operating surplus is attributed to increase in sales or demand for pharmaceutical supplies by R979,5 million from R3,8 billion (25,7% increase) by health facilities.

PPSD was 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. The entity's intent is to continue to operate in the future as a sub-programme funded through a vote and consolidated into the books of the KwaZulu-Natal Department of Health under Programme 7: Health Support Services, sub-programme – Medicine Trading Account. The entity is awaiting the outcome of its request from the National Treasury.

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 and increased number of demand facilities.

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% to 12% to cover the administrative costs. It is important to note that should the approval be granted by the National Treasury to incorporate PPSD into the KZN Health's books, the levy charged by PPSD will be discontinued.

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.

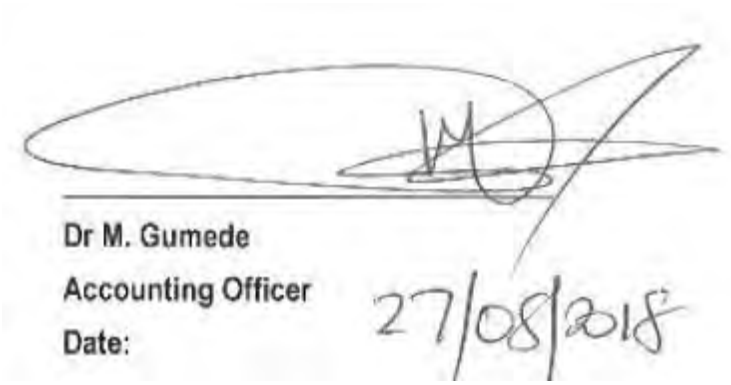
4. PERFORMANCE INFORMATION

4.1 SERVICE DELIVERY PERFORMANCE INDICATORS

Objective	Indicator	2017/2018 (Target)	2017/2018 (Actual)	Comments
Improve pharmaceutical procurement and distribution reforms	Percentage facilities on Direct Delivery Model for Procurement and Distribution of Pharmaceuticals	100%	99% (93/94)	KZN Children's Hospital Pharmacy has not obtained the SAPC registration documents yet as the pharmacy is still under construction. Dunstan Farrell Hospital and Umzimkulu Hospital Pharmacy are specialised hospitals with low volume use of medicines. These hospitals will be put on the Cross-docking model.
	Percentage facilities on Cross Docking Model for Procurement and Distribution of Pharmaceuticals	30.3%	0% (0/746)	The SCM processes for the Cross-docking Services are in progress. The implementation is pending the finalisation of the SCM process. The technical evaluation of the bids was concluded in Quarter 3. The Bid Evaluation Committee has sat.
	Percentage of items on Direct Delivery and Cross Docking Model	65%	68% (612/898)	The Department has done well with the implementation of the Direct Delivery Strategy having achieved 79.9 % (648/811) of the National Master Procurement Catalogue and 68% (612/898) of the Essential Medicine List.
Decrease medicine stock-out rates to less than 1% in all health facilities by March 2020	Tracer medicine stock-out rate (PPSD)	4%	8,9%	Supply Side Challenges: Some suppliers were not delivering timeously without disclosing the actual challenges they had with the availability of stock. This delay is supplying required frequent follow-ups. There was also a transition between contracts whereby the suppliers in the new contract could not supply immediately. 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
	Numerator: Number of tracer medicine out of stock	7	49	
	Denominator: Total number of tracer medicine expected to be in stock	182	552	

APPROVAL

The annual financial statements set out on pages 397 to 416 have been approved by the Accounting Officer.



Dr M. Gumede

Accounting Officer

Date: 27/08/2018

STATEMENT OF FINANCIAL POSITION

For the year ended 31 March 2018

	Note	2017/18 R'000	2016/17 R'000 Restated
ASSETS			
Current assets		**1,007,111**	**500,459**
Receivables	2	867,412	278,013
Inventory	3	139,699	222,446
Non-current assets		**303**	**731**
Property, plant and equipment	4	303	731
Total assets		**1,007,414**	**501,190**
LIABILITIES			
Current Liabilities		**582,185**	**242,201**
Trade and other payables from exchange transactions	5	581,285	241,472
Current provisions	6	900	729
Total liabilities		**582,185**	**242,201**
Net assets		**425,229**	**258,989**
Capital by Government	Net Assets	202,372	202,372
Reserves	Net Assets	6,117	6,117
Accumulated surplus	Net Assets	216,740	50,500
Total net assets and liabilities		**1,007,414**	**501,190**

STATEMENT OF CHANGES IN NET ASSETS

For the year ended 31 March 2018

	Note	2017/18 R'000	2016/17 R'000 Restated
REVENUE			
Revenue from exchange transactions		**4,792,302**	**3,812,747**
Sale of goods and rendering of services	7	4,792,287	3,812,734
Rental of facilities and equipment	8	12	11
Other income	9	3	2
Total revenue		**4,792,302**	**3,812,747**
LESS: EXPENSES			
Employees related cost	10	31,493	29,393
Depreciation and amortisation expense	11	525	883
Repairs and maintenance	12	664	690
General expenses	13	4,593,380	3,771,872
Total expenses		**4,626,062**	**3,802,838**
Surplus / (Deficit) for the period		**166,240**	**9,909**

	Revaluation Reserves	Contributed capital	Accumulated Surplus/ (deficit)	Total Net Assets
	R'000	R'000	R'000	R'000
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	-	-	9,909	9,909
Balance as at 31 March 2017	**6,117**	**202,372**	**50,500**	**258,989**
Correction of prior period error	-	-	-	-
Balance as at 1 April 2017- restated	**6,117**	**202,372**	**50,500**	**258,989**
Surplus/ (deficit) for the period	-	-	166,240	166,240
Balance as at 31 March 2018	**6,117**	**202,372**	**216,740**	**425,229**

CASH FLOW STATEMENT

For the year ended 31 March 2018

	Note	2017/18 R'000	2016/17 R'000 Restated
Cash flows from operating activities			
Receipts		**4,202,903**	**3,629,533**
Sales of goods and rendering of services		4,202,888	3,629,520
Other operating revenue		15	13
Payments		**(4,202,806)**	**(3, 629,518)**
Compensation of Employees		(31,322)	(29,386)
Goods and services		(4,171,484)	(3,600,132)
Net cash flows from operating activities	16	**97**	**15**
Cash flows from investing activities		**(97)**	**(15)**
Purchase of assets		(97)	(15)
Proceeds from sale of assets		-	-
Net cash flows from investing activities	17	**(97)**	**(15)**
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 STATEMENT

As at 31 March 2018

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 Recognised 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 2018, the following standards were in issue but not yet effective:

Standard		Effective date
GRAP 20	Related party disclosures	1 April 2019
GRAP 105	Transfer of functions between entities under common control	1 April 2019
GRAP 106	Transfer of functions between entities not under common control	1 April 2019
GRAP 107	Mergers	1 April 2019

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

Non-cash generating assets are primarily held for service delivery purposes.

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 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.

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

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 (KZNDoH). The PPSD continues to recognise this asset as there is continuing involvement in the KZNDoH 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.

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 the 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 changes in presentation in the current year.

	Note	2017/18 R'000	2016/17 R'000 Restated
2. Receivables			
Inter-departmental account		867,412	278,013
Total intra-departmental account		**867,412**	**278,013**
3. Inventories			
Carrying value of inventory		**139,699**	**222,446**
Finished Goods		139,699	222,446
Inventory carried at Net Realisable Value			
The following classes of inventory are carried at net realisable value:			
Finished Goods		139,699	222,446
Total		**139,699**	**222,446**
Amount recognised as an expense			
Cost of inventory sold and included in cost of sales expense line item for the year		4,583,658	3,763,886
Total		**4,583,658**	**3,763,886**

4. Property, Plant and Equipment

	2018			2017 (Restated)		
	Cost/ Valuation	Accumulated Depreciation and Impairment	Carrying value	Cost/ Valuation	Accumulated Depreciation and Impairment	Carrying value
Motor vehicles	322	(256)	67	322	(219)	103
Furniture & fittings	2,980	(2,969)	11	2,980	(2,961)	19
Computer equipment	4,978	(4,919)	59	4,941	(4,577)	364
Other assets	3,105	(2,939)	166	3,046	(2,800)	245
Total	**11,385**	**(11,083)**	**303**	**11,288**	**(10,558)**	**731**

Reconciliation Property, Plant and Equipment – 2018

	Carrying value Opening balance	Additions	Disposals	Transfers	Depreciation	Revaluation	Carrying value Closing Balance
Motor vehicles	103	-	-	-	(37)	-	67
Furniture & fittings	19	-	-	-	(8)	-	11
Computer equipment	364	37	-	-	(341)	-	59
Other assets	245	60	-	-	(139)	-	166
Total	**731**	**97**	**-**	**-**	**(525)**	**-**	**303**

Reconciliation Property, Plant and Equipment – 2017 (Restated)

	Carrying value Opening balance	Additions	Disposal	Transfer	Depreciation	Revaluation	Prior Year Errors	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**

	Note	2017/18 R'000	2016/17 R'000 Restated
5. Trade and other Payables from exchange transactions			
Trade creditors		577,947	236,147
Staff leave accrual		1,455	1,429
Other creditors		1,883	3,896
Total creditors	.	**581,285**	**241,472**

6. Current Provisions – Performance Bonus		
Reconciliation of Movement in provisions		
Opening balance	729	722
Change in provision due to change in Estimation inputs	171	7
Closing balance	**900**	**729**

7. Sales of Goods and Services		
Revenue from Exchange Transactions – Sales of goods and services	**4,792,287**	**3,812,734**

8. Income from Rental of Facilities and Equipment		
Rental of facilities	12	11
Total	**12**	**11**

9. Other income		
Scrap sales	3	2
Leave pay provision (reduction)	-	-
Total	**3**	**2**

10. Employee Related Costs		
Employee related costs - Salaries and wages	23,791	21,862
Employee related costs – Contributions for UIF, Pension and Medical	4,508	4,263
Housing benefits and allowances	1,354	1,319
Performance and other bonuses	1,687	1,506
Other employee related costs	153	443
Employee Related costs	**31,493**	**29,393**

	Note	2017/18 R'000	2016/17 R'000 Restated
11. Depreciation and amortisation Expense			
Property, plant and equipment		525	883
Total depreciation and amortisation		**525**	**883**
12. Repairs and maintenance			
Repairs and maintenance during the year		**664**	**690**
13. General Expenses			
Advertising		7	34
Bank charges		2	3
Cleaning Services		1,237	1,114
Connection charges		2,300	1,738
Consumables		194	200
Cost of sales		4,583,658	3,763,886
Electricity		836	840
Fuel and oil		33	80
Postage		7	38
Printing and stationery		1,117	902
Valuation costs		251	-
Rental of office equipment		483	296
Security cost		2,886	2,440
Subscription & publication		6	2
Telephone cost		185	225
Training		48	-
Travel and subsistence – local		59	55
Uniform & overalls		49	-
Other		22	18
Total		**4,593,380**	**3,771,872**
14. Defined contribution plan			
Government Pension Fund		2,668	2,333
Total		**2,668**	**2,333**

	Note	2017/18 R'000	2016/17 R'000 Restated
15. Cash flows from operating activities			
Surplus/ (deficit) for the year from:			
Continuing operations		166,240	9,909
Adjusted for:			
- Depreciation		525	883
- Movement in provisions		171	7
- (Gain) / loss on sale of assets		-	-
- Fair value adjustment to financial assets		-	-
Operating surplus (deficit) before working capital changes:		**166,936**	**10,799**
- (Increase) / decrease in inventories		82,747	(35,013)
- (Increase) / decrease in trade and other receivables		(589,399)	(183,214)
- Increase/ (Decrease) in payables		339,813	207,443
Cash generated from operations		**97**	**15**
16. Purchase of Property, Plant and Equipment			
During period, the economic entity acquired property, plant and equipment with an aggregate cost of R96 927,70. Cash payment of R96 927,70 were made to purchase property, plant and equipment.		**(97)**	**(15)**
		(97)	**(15)**

17. Prior Year Error

The comparative statements for the 2016/2017 financial year have been restated to recognize amendments relating to error to due cost of sales interface understated:

Effect on the Statement Financial Position	
Trade and other receivables form exchange transactions	**(17,958)**
Decrease in current assets	**(17,958)**
Accumulated Surplus/(Deficit)	
Decrease in net assets	**(17,958)**
Effect on the Statement of Financial Performance	
Cost of sales	**(17,958)**
Decrease in net surplus	**(17,958)**

	Note	2017/18 R'000	2016/17 R'000 Restated
18. Irregular expenditure			
Opening balance		104,401	86,033
Irregular expenditure current year		15,617	17,576
Prior period error adjustment		-	792
Irregular expenditure awaiting condonement		**120,018**	**104,401**

19. 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	421	478
1 to 5 years	135	538
More than 5 years	-	-
Total	**556**	**1,016**

20. 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 exceed the revaluation surplus for the same asset; the impairment loss is recognized in the accumulated surplus/ (deficit).

Opening balance	6,117	6,117
Less: Asset disposal	-	-
	6,117	**6,117**

21. Related Party and Related Party Transactions

Related party balances	**867,412**	**278,013**
Current assets – Inter-departmental account: KZN Department of Health	867,412	278,013

	Note	2017/18 R'000	2016/17 R'000 Restated
Related party transactions		**4,792,287**	**3,812,734**
Sales- Medical Supplies		4,792,287	3,812,734

KZN Department of Health is the related party to PPSD because PPSD procures and supplies pharmaceutical products for the KZN Department and all PPSD employees are paid by 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.

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 one 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 / (deficit)		**216,740**	**50,500**

We draw attention to the fact that at March 31, PPSD had accumulated surplus of R216,7 million and that PPSD's total assets exceed its liabilities by R525,2million.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operation and that the realisation of assets and settlement of liabilities and commitments will occur in the ordinary course of business.

The entity's intent is to continue to operate in the future as a sub-programme funded through a vote and consolidated into the books of the KwaZulu-Natal Department of Health under Programme 7: Health Support Services, sub-programme – Medicine Trading Account but this is subject approval by the National Treasury as the entity is awaiting the outcome of its request.

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.

health
Department:
Health
PROVINCE OF KWAZULU-NATAL

HEAD OFFICE - NATALIA BUILDING

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